

# **GOODS AND SERVICES TAX ACT 2014**

## **SECTION 66 SUPPLIES SPANNING CHANGE IN RATE OR DESCRIPTION**

### **66(1) [Application]**

Notwithstanding section 11, this section shall apply where there is a change in the—

- (a) rate of tax fixed under section 10;
- (b) description of the supply of goods or services determined as zero-rated supply under section 17; or
- (c) description of the supply of goods or services determined as exempt supply under section 18.

### **66(2) [Change in rate]**

Where there is a change in the rate of tax fixed under section 10, the rate at which the tax is chargeable on any supply spanning the change in the rate of tax shall be as follows:

- (a) tax shall be charged at the old tax rate on the higher of the following amounts:
  - (i) full payment or part payment received before the date of change in the rate of tax; or
  - (ii) value of the supply of goods where the goods are wholly or partly removed or made available or the services are wholly or partly performed before the date of change in the rate of tax; and
- (b) tax shall be charged at the new tax rate on the difference, if any, between the amount of the whole supply and the amount referred to in paragraph (a).

### **66(3) [Change in description of zero-rated supply]**

Where there is a change in the description of the supply of goods or services determined as zero-rated supply under section 17, the rate at which tax is chargeable on the supply spanning the change in the description shall be as follows:

- (a) in the case of a zero-rated supply being changed to a standard-rated supply and spans the change—
  - (i) no tax shall be charged on the higher of the following amounts:
    - (aa) full payment or part payment received before the date of change in the description; or
    - (bb) value of the zero-rated supply of goods where the goods are wholly or partly removed or made available or the services are wholly or partly performed before the date of change in the description; and
  - (ii) tax shall be charged on the difference, if any, between the amount of the whole supply and the amount referred to in subparagraph (a)(i);
- (b) in the case of a standard-rated supply being changed to a zero-rated supply and spans the change—
  - (i) tax shall be charged on the higher of the following amounts:
    - (aa) full payment or part payment received before the date of change in the description; or
    - (bb) value of the standard-rated supply of the goods where the goods are wholly or partly removed or made available or the services are wholly or partly performed before the date of change in the description; and
  - (ii) no tax shall be charged on the difference, if any, between the amount of the whole supply and the amount referred to in subparagraph (b)(i).

#### **66(4) [Change in description of exempt supply]**

Where there is a change in the description of the supply of goods or services determined as an exempt supply under section 18, the rate at which tax is chargeable on the supply spanning the change in the description shall be as follows:

- (a) in the case of an exempt supply being changed to a taxable supply and spans the change—
  - (i) no tax shall be charged on the higher of the following amounts:
    - (aa) full payment or part payment received before the date of change in the description; or
    - (bb) value of the exempt supply of goods where the goods are wholly or partly removed or made available or the services are wholly or partly performed before the date of change in the description; and
  - (ii) tax shall be charged on the difference, if any, between the amount of the whole supply and the amount referred to in subparagraph (a)(i);
- (b) in the case of a taxable supply being changed to an exempt supply and spans the change—
  - (i) tax shall be charged at the old tax rate on the higher of the following amounts:
    - (aa) full payment or part payment received before the date of change in the description; or
    - (bb) value of the taxable supply of the goods where the goods are wholly or partly removed or made available or the services are wholly or partly performed before the date of change in the description; and
  - (ii) no tax shall be charged on the difference, if any, between the amount of the whole supply and the amount referred to in subparagraph (b)(i).

#### **66(5) [Definitions]**

For the purposes of this section—

- (a) any supply spanning the change in the rate of tax or description refers to any supply where—
  - (i) full payment is received before the date of change in the rate of tax or description and the goods are wholly removed or made available or the services are wholly performed after the date;
  - (ii) full payment is received after the date of change in the rate of tax or description and the goods are wholly removed or made available or the services are wholly performed before the date;
  - (iii) full payment is received before the date of change in the rate of tax or description and the goods are partly removed or made available or the services are partly performed before and after the date;
  - (iv) full payment is received after the date of change in the rate of tax or description and the goods are partly removed or made available or the services are partly performed before and after the date;
  - (v) the goods are wholly removed or made available or the services are wholly performed before the date of change in the rate of tax or description and part payment is received before and after the date;
  - (vi) the goods are wholly removed or made available or the services are wholly performed after the date of change in the rate of tax or description and part payment is received before and after the date;
  - (vii) part payment is received before the date of change in the rate of tax or description and part payment is received after the date;
  - (viii) part payment is received before the date of change in the rate of tax or description and the goods are partly removed or made available or the services are partly performed after the date;
  - (ix) the goods are partly removed or made available or the services are partly performed before the date of change in the rate of tax or description and part payment is received after the date; or

- (x) the goods are partly removed or made available or the services are partly performed before the date of change in the rate of tax or description and the goods are partly removed or made available or services are partly performed after the date;
- (b) **"new tax rate"** means the rate of tax applicable on the date the change in the rate of tax comes into operation;
- (c) **"old tax rate"** means the rate of tax applicable immediately before the date the change in the rate of tax comes into operation;
- (d) **"standard-rated supply"** means any supply which is chargeable to a rate of tax fixed under section 10.

**66(6) [Offence]**

Any person who contravenes this section commits an offence.