Indirect Tax Sharing Agreements.

HOW CAN THEY HELP GST GROUPS

Indirect Tax Sharing Agreements go hand in hand with entities that form GST Groups.

An Indirect Tax Sharing Agreement allows entities within a GST Group to limit joint and several liabilities in relation to their indirect tax liabilities including Goods and Services Tax (GST), wine equalisation tax, luxury car tax and fuel tax.

By law the primary liability for the indirect tax liabilities rests with the group's representative member (commonly the head entity).

Without a valid Indirect Tax Sharing Agreement in place, the following consequences can arise for GST Group members:

a. Joint and several liability – the members of the GST Group are exposed to joint and several liabilities. This can result in the ATO being able to recover any unpaid indirect tax liability from any GST group member.
b. Debt and banking covenants – because of joint and several liability risks.

It is therefore important that GST Groups consider whether to enter into an Indirect Tax Sharing Agreement in order to minimise these risks.

How can McInnes Wilson Lawyers help?

a. whether the entities can form a GST group for indirect tax purposes;
b. the effect of forming a GST group for indirect tax purposes;
c. the effect of the Indirect Tax Sharing Agreements and any impact on of these arrangements on the group members;
d. the ability of each group member to meet its obligations under the Indirect Tax Sharing Agreement;
e. we draft, negotiate Indirect Tax Sharing Agreements.

How can MCWonline.com.au help?

Interested in an Indirect Tax Sharing Agreement?

Click here to download an application form, and obtain relevant information to consider before ordering an Indirect Tax Sharing Agreement.

If you have any questions about completing the application form please contact:

Christopher Davis
Principal
Phone: (07) 3014 6530
Email: cdavis@mcw.com.au

Taryn Hartley
Senior Associate
Phone: (07) 3014 6513
Email: thartley@mcw.com.au