



SECTION 12 GST AND SUBDIVISIONS

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12.1 INTRODUCTION

12.1.1 Scope

- 12.1.1.1 This section deals with issues relating to GST and Subdivisions, including:
- Completion of a Schedule of land and assets to vest in Council.
 - Barter tax invoices (and the circumstances these apply under).

12.1.1 Comment This information must be supplied before the 224c or other project completion certificate can be issued. Refer also s11.

12.1.1 Objectives and Desired Outcomes

- 12.1.1.1 The objectives of this section are to:
- Ensure that the required information is provided to Auckland City and to the Developer.
 - Set out Auckland City's position on invoicing arrangements for vested assets.

12.2 INLAND REVENUE AND COUNCIL REQUIREMENTS

12.2.1 Where land or services are vested in Council the transaction is subject to GST. However, the IRD has declared the transaction is GST neutral and that a "barter" is involved in which the vesting of these facilities (transferring them to Council) is the consideration for the Council's supply of subdivision or development approval.

12.2.2 On a subdivision the supply is considered to occur at the issuing of the Certificate of Compliance or Completion (generally the date of the 224(c) certificate).



12.3 DOCUMENTATION

12.3.1 The Developer must submit a schedule of land and assets to vest in Council along with as-built plans. This schedule must be in the form of Appendix 12A, and needs to include both land and infrastructure to vest in Council.

12.3.2 Where the Developer is registered for GST, Council will issue:

- Its own Tax Invoice to the Developer for the value of the vested assets.
- A buyer created Tax Invoice (on behalf of the Developer) for the same value. The Developer's agreement that Council will issue a buyer created Tax Invoice is included on the schedule.

These invoices will be issued on the same date (so they both fall into the same GST period), and are dealt with as any tax invoice would be by both parties. No money changes hands and no net GST liability is incurred by either party.

12.3.3 Where the Developer is not GST registered no Tax Invoices will be issued. No money changes hands as a result of this vesting.

12.4 VALUES FOR VESTED ASSETS (LAND AND SERVICES)

12.4.1 The value to be shown on the schedule for the land being vested is the open market value. This could be from valuation rolls on a per square metre basis. This value is to exclude GST.

12.4.2 The value to be shown on the schedule for the works or services being vested is the total cost to the Developer (excluding GST). This information could be from the contract schedule relating to that work.

12.4.3 Where the land being vested has also been improved, (eg. a road reserve, on which a road has been formed) the schedule needs to separately show the value of the land and the cost of the improvement works.

12.4.4 Auckland City Environments will review the values and costs provided, and may ask for further information or supporting documentation if these appear significantly higher or lower than costs for similar works on other sites.

12.4 Comment Costs given for works should include direct costs only (eg. material, installation/construction and reinstatement).



Appendix 12A: Schedule of Land and Assets to Vest in Council

Developer's Name and Address	Reference Transmittal
	Notice for Assets Vested from a Development at:
	Site Address
	Suburb
	Subdiv/Land Use Consent / /
Is Developer GST Registered? Yes/No	Eng Plan Consent EP / /
If Yes, Developer's GST Reg No. - -	Completion Date / /

All Values are to be exclusive of GST

Land to Vest			
<i>Land Use</i>	<i>Area (m2)</i>	<i>Value</i>	<i>Council's Contribution</i>
Roading			
Reserves			
Other			
Land Total			
Assets to Vest			
<i>Category</i>	<i>Measure</i>	<i>Cost</i>	<i>Council's Contribution</i>
Buildings	Item		
Street Lighting	No.		
Roading	Length		
Footpaths	Length		
Catchpits	No.		
Kerb & Channel	Length		
Retaining Walls	Item		
Fences	Item		
Playgrounds	No.		
Trees, Shrubs	No.		
Sanitary Sewer Pipes	Length		
	Dia		
Manholes	No.		
Watermain	Length		
	Dia.		
Sluice Valve	No.		
Fire Hydrant	No.		
Stormwater Pipes	Length		
	Dia.		
Manholes	No.		
Pumpstations - Sewer	No.		
Pumpstations - Other	No.		
Total Assets			
Total Land and Assets			

This information is certified as being true and correct	
Name	
Company	
Position of Signatory in relation to Developer	
Signed	
Dated	/ /
If the Developer is GST Registered, this document acknowledges that Council will be issuing a Buyer Created Tax Invoice for these assets, and that the Developer will not issue a tax invoice for them.	



APPENDIX 1

1. **Appendix 1** is only to be used for subdividers/developers who **are registered for GST**.
2. The vesting of land, roads, water and drainage systems in the Council in satisfaction of conditions of Subdivision/Development consent is deemed by the IRD to be a supply to the Council in consideration of the Council supplying of its consent. On a subdivision the supply is deemed to occur at the time of issue of the 224 (Resource Management Act) Certificate.
3. The result of this determination is that the Subdivider/Developer and the Council must each issue Tax Invoices of equal value and no net liability for GST is incurred by either party. The two transactions must be of equal value.
4. Values to be used are:
 - a) Land: value per square metre derived from the Valuation Roll or a valuer's report.
 - b) Construction: actual costs of materials and labour OR construction cost schedules from consultants.

All values are to be listed as per the specimen document on page 70.

5. The barter tax invoice must be lodged with the appropriate department of Council before certificates under Section 224 will be issued, or development release is granted as applicable.
5. Both invoices must be in the same calendar month and therefore dealt with in the same GST period.

APPENDIX 2

1. **Appendix 2** is only to be used for Subdividers/Developers who are **not registered for GST**.
2. The vesting of land, roads, water and drainage systems in the Council in satisfaction of conditions of subdivision/development consent is deemed by the IRD to be a supply of those facilities to the Council in consideration of the supplying of its consent. This supply is deemed to be a supply of second-hand goods, as a barter with the Council for the supply of its consent.
3. The result of this determination is that the subdivider/developer who is not registered for GST is required to make **no** payment to the Council, but for accounting purposes must issue the Council with a memorandum of vested assets as per the specimen document attached.
4. Values to be used are:



- a) Land: value per square metre derived from a valuer's report.
- b) Construction: actual costs of materials and labour or construction cost schedules from consultants.

All values are to be listed on the specimen document on page 71.

- 5. The barter tax invoice must be lodged with the appropriate department of Council before the issue of the Section 224 (Resource Management Act) certificate or Development release is granted as applicable.



GST Barter Tax Invoice (GST Registered)

Owners Name and Address: _____ _____ _____ GSI Number _____ Being a Barter Invoice for a Development at: _____ _____ _____	Scheme Plan No: _____ LT Number _____ Council's Development Engineering Approval Plan No: EP/_____/_____ Invoice Number _____ Invoice Issued To Auckland City Council Date _____
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LAND TO VEST						
Description	Area	Value per M2	Net	GST	Total	
Roading	m2 @					Property
Reserves	m2 @					Property etc
Other	m2 @					
(1) TOTAL LAND VALUE						

CONSTRUCTION COSTS OF ASSETS TO VEST IN COUNCIL ONLY						
Category	Item	Gross (Excl GST)	Less Council's Contribution	Net (Excl GST)	GST	Total (Incl GST)
Buildings	Item					Property
Street Lighting	No.					TARS
Roading	Length					TARS
Footpaths	Length					TARS
Kerb & Channel	Length					TARS
Retaining Walls	Item					RACS/TARS
Fences	Item					RACS
Playgrounds	No.					RACS
Trees, Shrubs	No.					RACS
Sanitary Sewer	Length					ACE
	Dia					ACE
Manholes	No.					ACE
Watermain	Length					ACE
	Dia					ACE
Stormwater	Length					ACE
	Dia					ACE
Manholes	No.					ACE
Pumpstations - Sewer	No.					ACE
Pumpstations - Other	No.					ACE
(2) TOTAL CONSTRUCTION COSTS		_____				
Do not include power or gas reticulation						

TOTAL LAND VALUE & TOTAL CONSTRUCTION COSTS	(1) & (2)	_____
Note: Please provide supporting schedules of vested assets if necessary		

