

GOODS & SERVICE TAX—GST

When do I have to register for GST?

When your total business income over a 12-month period hits \$75K (does not include wages or Centrelink income).

What is GST?

Simply, it's a 10% tax you charge your customers on your sales and claim back GST paid on purchases.

Is there GST on me cashing out from online sites?*

Yes on any income received from an Australian Fan—see the end of this article for a detailed answer.

So I make 10% more?

It's designed for you to add on 10% so your customer pays it, not you (the business). You just collect it to pass on to the ATO.

So I make 10% less?

If you don't increase your prices then you will have less in the end.

Am I paying tax twice now?

No, you pay GST and then you pay Income Tax on the amount after GST. Remember—the GST portion isn't yours.

Can I get an example?

Ok so say you charge \$500 per hour. That's what you need to receive. If you aren't GST registered—you get \$500 in your hand and that's yours.

BUT when you are GST registered—you now have to collect 10% on your sales for the ATO.

So, if you increase your rate to \$550—then 10% is collected for ATO and you still get \$500. If you don't increase your rate—then the ATO still get 10% of the \$500 per hour—so now you get \$454.45 per hour.

Should I be putting more money away if I am GST registered?

Yes, don't get into the habit of spending more if you increase your prices. Your job now as a GST registered business is to collect money from clients to pass to the ATO.

Advantages of being GST registered

If you want to be considered for a Loan of any sort most lenders will not consider you if you are not GST registered.

How do you work out what I pay?

It's simply 10% on your sales (remember, not total online sales) minus 10% on business purchases.

Example

Total Sales (in person) \$55,000 GST on Sales \$ 5,000
Total Purchases \$ 11,000 GST on Purchases \$1,000
\$5,000 to pay minus \$1,000 spent= \$4,000 to pay to ATO with BAS

How do I claim back GST?

Any GST you spend on business purchases will be claimed back in your BAS, reducing the amount you have to pay the ATO. Bought a \$1,100 new phone? You can claim back \$100.

GST and only fans

Tax law states that you only need to calculate GST on your money received from fans INSIDE Australia. All income made on Only Fans from customers outside Australia remain GST free.

Example Email

To get this information you need to request a report using your Only Fans email address
vat@onlyfans.com

Subject: Australian Creator GST Request

Body: To comply with Australian GST laws, can I please have a report which shows the breakdown of my Gross earnings and tips for the quarter July 1 2023 to September 30 2023 by geographical location.

The ATO have had ongoing contact with Fenix (OF) and said this report is available on request.

Please forward to the appropriate department who can access this information.

May I please have this information as soon as possible so I can prepare my lodgment.

The Empire Team

