



Take full advantage

# PACK FACT

## Input Tax Credits (ITC's)

By salary packaging, you can effectively save on GST.

When you package a benefit that attracts GST, your employer will receive a credit for the GST paid from the Australian Tax Office (ATO). This credit is referred to as an **Input Tax Credit** (ITC). After receiving the ITC, your employer will pass back the ITC to you through your salary package.

The full amount will be paid for the benefit, however the amount **less** GST will be charged to your package.

ITC's can be passed back for most items where GST is payable such as:

- Briefcases
- Notebook Computers
- Motor Vehicle Leases
- Electricity/Gas/Telephone
- House Insurance
- Petrol and Repairs
- Public Transport, and even your Remunerator fees!

You can track the ITC's passed back by your Employer with your Remunerator **Employee Statement**.

### DISCLAIMER

The information supplied on this page is provided as an information guide only. It contains Remunerator (Aust) Pty Ltd ACN 074 423 966 interpretation of the current Tax Legislation which is subject to change at any time without notice and should not be relied on as a substitute for legal or other professional advice. Example uses income tax rates effective 1<sup>st</sup> July 2006.

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