

A-NZ PEPPOL FRAMEWORK GUIDANCE NOTE

Including WET and LCT on an Invoice

Guidance Note 01

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Issue Date	Version
09 December 2024	1.0.2

Effective From	Artefacts Impacted
09 December 2024	PINT A-NZ Billing and Self-billing specifications

Background

The purpose of this document is to provide guidance on how sending and receiving businesses should manage Wine Equalisation Tax (WET) and Luxury Car Tax (LCT) information in Australia using the invoice syntax in the PINT A-NZ specifications (Billing & Self-billing).

Issue

PINT A-NZ specifications support one tax scheme: Goods and Services Tax (GST). However, in Australia, two other types of tax may appear on an invoice in addition to GST: Wine

Equalisation Tax (WET) and Luxury Car Tax (LCT)

The key differences between WET and LCT include:

- GST applies to WET-inclusive amounts, but LCT-exclusive amounts.
- LCT calculations require the threshold and indexation, which may update annually.
- Invoices for motor vehicles usually include other charges that impact total payable amounts, such as stamp duty and car registration fees.

Guidance

This document describes solutions to manage WET and LCT using existing elements in the PINT A-NZ data model.

The proposed approach does not affect the PINT A-NZ specifications but aims to provide sending and receiving businesses a consistent approach to manage WET and LCT. Unless an alternative approach is agreed between the sending and receiving businesses, users should follow this guidance note to maximise straight-through processing and automation.

WET

The WET amount can be displayed as an additional charge for the relative wine item, using the UBL element:

`cac:InvoiceLine/cac:AllowanceCharge/cbc:Amount` (IBT-141).

To specify the additional charge is for WET, it is recommended to:

- Use `"ZZZ"` for `cbc:AllowanceChargeReasonCode` (IBT-140)
- Include `"WET"` in `cbc:AllowanceChargeReason` (IBT-139).

This approach ensures the applied WET amounts are associated with the related wine sales.

Refer to **Appendix A** for detailed examples.

LCT

The LCT amount, and other applicable charges (such as stamp duty, registration fee, and vehicle insurance fee), should each be displayed using an additional line:

- Put the amount in UBL element `cac:InvoiceLine/cbc:LineExtensionAmount` (IBT-131).
- Use `cac:InvoiceLine/cbc:Note` (IBT-127) to describe the amount included in the invoice line, e.g. LCT.
- For LCT and other charges where GST is not applicable:

    - Use `"GST"` as the tax scheme
    - Use code `"E"` (exempt from tax) in `cac:ClassifiedTaxCategory` (IBG-30).
- It is recommended to use `"ZZZ"` from the UNCL7143 item type identification code list for: `cac:InvoiceLine/cac:Item/cac:CommodityClassification/cbc:ItemClassificationCode` (IBT-158) to assist with automation of the processing of LCT.

Refer to **Appendix B** for detailed examples.

> **Note:** Using the described approach above, the document-level WET or LCT amount will not be separately included and will need to be calculated and displayed by the receiving software.

Appendix A – Wine Equalisation Tax Example

Scenario:

Wine price per item	Quantity	WET amount (29%)	GST (10% of WET inclusive amount)
$500	4	$580	$258

```
<cac:TaxTotal>
    <cbc:TaxAmount currencyID="AUD">258.00</cbc:TaxAmount> <!-- 10% of WET inclusive amount -
    <cac:TaxSubtotal>
        <cbc:TaxableAmount currencyID="AUD">2580.00</cbc:TaxableAmount>
        <cbc:TaxAmount currencyID="AUD">258.00</cbc:TaxAmount>
        <cac:TaxCategory>
            <cbc:ID>S</cbc:ID>
            <cbc:Percent>10</cbc:Percent>
            <cac:TaxScheme>
                <cbc:ID>GST</cbc:ID>
            </cac:TaxScheme>
        </cac:TaxCategory>
    </cac:TaxSubtotal>
</cac:TaxTotal>

<cac:LegalMonetaryTotal>
    <cbc:LineExtensionAmount currencyID="AUD">2580.00</cbc:LineExtensionAmount>
    <cbc:TaxExclusiveAmount currencyID="AUD">2580.00</cbc:TaxExclusiveAmount>
    <cbc:TaxInclusiveAmount currencyID="AUD">2838.00</cbc:TaxInclusiveAmount>
```

```
    <cbc:PayableAmount currencyID="AUD">2838.00</cbc:PayableAmount>
</cac:LegalMonetaryTotal>

<cac:InvoiceLine>
    <cbc:ID>1</cbc:ID>
    <cbc:Note>Bulk White Wine</cbc:Note>
    <cbc:InvoicedQuantity unitCode="E99">4</cbc:InvoicedQuantity>
    <cbc:LineExtensionAmount currencyID="AUD">2580.00</cbc:LineExtensionAmount>

    <cac:AllowanceCharge>
        <cbc:ChargeIndicator>true</cbc:ChargeIndicator> <!-- WET charge -->
        <cbc:AllowanceChargeReasonCode>ZZZ</cbc:AllowanceChargeReasonCode> <!-- Recommended W
        <cbc:AllowanceChargeReason>WET</cbc:AllowanceChargeReason> <!-- WET charge reason -->
        <cbc:Amount currencyID="AUD">580</cbc:Amount> <!-- WET amount (29% of (PriceAmount x
    </cac:AllowanceCharge>

    <cac:Item>
        <cbc:Description>Wine</cbc:Description>
        <cbc:Name>White Wine</cbc:Name>
        <cac:ClassifiedTaxCategory>
            <cbc:ID>S</cbc:ID>
            <cbc:Percent>10</cbc:Percent>
            <cac:TaxScheme>
                <cbc:ID>GST</cbc:ID>
            </cac:TaxScheme>
        </cac:ClassifiedTaxCategory>
    </cac:Item>

    <cac:Price>
        <cbc:PriceAmount currencyID="AUD">500</cbc:PriceAmount>
    </cac:Price>
</cac:InvoiceLine>
</Invoice>
```

Appendix B – Luxury Car Tax

Scenario:

Car Price	Quantity	*Threshold	*LCT Taxable Amount	LCT Amount
$100,000	1	$75,526	(100k - 75,526) × 10/11 = $22,249.10	$7,342.20

> *(33%) × 10/11 × [Luxury car tax value – luxury car tax threshold]*

```
<cac:TaxTotal>
    <cbc:TaxAmount currencyID="AUD">10000</cbc:TaxAmount>
    <cac:TaxSubtotal>
        <cbc:TaxableAmount currencyID="AUD">100000</cbc:TaxableAmount>
        <cbc:TaxAmount currencyID="AUD">10000</cbc:TaxAmount>
        <cac:TaxCategory>
            <cbc:ID>S</cbc:ID>
            <cbc:Percent>10</cbc:Percent>
            <cac:TaxScheme>
                <cbc:ID>GST</cbc:ID>
            </cac:TaxScheme>
        </cac:TaxCategory>
    </cac:TaxSubtotal>

    <cac:TaxSubtotal>
        <cbc:TaxableAmount currencyID="AUD">11582.90</cbc:TaxableAmount>
        <cbc:TaxAmount currencyID="AUD">0.00</cbc:TaxAmount>
        <cac:TaxCategory>
            <cbc:ID>E</cbc:ID>
            <cbc:Percent>0</cbc:Percent>
            <cac:TaxScheme>
                <cbc:ID>GST</cbc:ID>
            </cac:TaxScheme>
        </cac:TaxCategory>
    </cac:TaxSubtotal>
</cac:TaxTotal>

<cac:LegalMonetaryTotal>
    <cbc:LineExtensionAmount currencyID="AUD">111582.90</cbc:LineExtensionAmount>
    <cbc:TaxExclusiveAmount currencyID="AUD">111582.90</cbc:TaxExclusiveAmount>
    <cbc:TaxInclusiveAmount currencyID="AUD">121582.90</cbc:TaxInclusiveAmount>
    <cbc:PayableAmount currencyID="AUD">121582.90</cbc:PayableAmount>
</cac:LegalMonetaryTotal>
```

```
<cac:InvoiceLine>
    <cbc:ID>1</cbc:ID>
    <cbc:Note>Porche 911 Carrera</cbc:Note> <!-- Use to describe the amount included -->
    <cbc:InvoicedQuantity unitCode="E99">1</cbc:InvoicedQuantity>
    <cbc:LineExtensionAmount currencyID="AUD">100000</cbc:LineExtensionAmount>
    <cbc:AccountingCost>Luxury Car Cost</cbc:AccountingCost>

    <cac:Item>
        <cbc:Description>Luxury Car</cbc:Description>
        <cbc:Name>Porche 911 Carrera</cbc:Name>
        <cac:ClassifiedTaxCategory>
            <cbc:ID>S</cbc:ID>
            <cbc:Percent>10</cbc:Percent>
            <cac:TaxScheme>
                <cbc:ID>GST</cbc:ID>
            </cac:TaxScheme>
        </cac:ClassifiedTaxCategory>
    </cac:Item>

    <cac:Price>
        <cbc:PriceAmount currencyID="AUD">100000</cbc:PriceAmount>
        <cac:AllowanceCharge>
            <cbc:ChargeIndicator>false</cbc:ChargeIndicator>
            <cbc:Amount currencyID="AUD">0.00</cbc:Amount>
            <cbc:BaseAmount currencyID="AUD">100000</cbc:BaseAmount>
        </cac:AllowanceCharge>
    </cac:Price>
</cac:InvoiceLine>

<cac:InvoiceLine>
    <cbc:ID>2</cbc:ID>
    <cbc:Note>LCT</cbc:Note> <!-- Use to describe the amount included -->
    <cbc:InvoicedQuantity unitCode="C62">1</cbc:InvoicedQuantity>
    <cbc:LineExtensionAmount currencyID="AUD">7342.20</cbc:LineExtensionAmount> <!-- LCT amou

    <cac:Item>
        <cbc:Description>LCT Tax Payable</cbc:Description>
        <cbc:Name>LCT</cbc:Name>
        <cac:CommodityClassification>
```

```
            <cbc:ItemClassificationCode listID="ZZZ">LCT</cbc:ItemClassificationCode> <!-- Re
        </cac:CommodityClassification>
        <cac:ClassifiedTaxCategory>
            <cbc:ID>E</cbc:ID>
            <cbc:Percent>0</cbc:Percent>
            <cac:TaxScheme>
                <cbc:ID>GST</cbc:ID>
            </cac:TaxScheme>
        </cac:ClassifiedTaxCategory>
    </cac:Item>

    <cac:Price>
        <cbc:PriceAmount currencyID="AUD">7342.20</cbc:PriceAmount>
    </cac:Price>
</cac:InvoiceLine>

<cac:InvoiceLine> <!-- Additional line item for stamp duty, registration fees etc -->
    <cbc:ID>3</cbc:ID>
    <cbc:Note>LCT</cbc:Note> <!-- Use to describe the amount included -->
    <cbc:InvoicedQuantity unitCode="C62">1</cbc:InvoicedQuantity>
    <cbc:LineExtensionAmount currencyID="AUD">4240.70</cbc:LineExtensionAmount>

    <cac:Item>
        <cbc:Description>Stamp Duty Payable</cbc:Description>
        <cbc:Name>Stamp Duty</cbc:Name>
        <cac:CommodityClassification>
            <cbc:ItemClassificationCode listID="ZZZ">Stamp Duty</cbc:ItemClassificationCode>
        </cac:CommodityClassification>
        <cac:ClassifiedTaxCategory>
            <cbc:ID>E</cbc:ID>
            <cbc:Percent>0</cbc:Percent>
            <cac:TaxScheme>
                <cbc:ID>GST</cbc:ID>
            </cac:TaxScheme>
        </cac:ClassifiedTaxCategory>
    </cac:Item>

    <cac:Price>
        <cbc:PriceAmount currencyID="AUD">4240.70</cbc:PriceAmount>
    </cac:Price>
```

```
</cac:InvoiceLine>
</Invoice>
```

Version History

Version	Date	Change Description
1.0	08/10/2019	Initial published version
1.0.1	06/02/2020	Correction of LCT example (Appendix B) Use “ZZZ” as ItemClassificationCode Improve AccountingCost exemplars
1.0.2	09/02/2024	Updated artefact references to the PINT A-NZ specification Editorial changes for clarification

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