

HOW IS MY FINANCING ARRANGEMENT TREATED?

Finance Type	Do I own the asset?	Can I claim depreciation on the asset?	Can I claim all GST up front?	Is there an interest component to claim?
Chattel Mortgage	Yes	Yes	Yes – GST accounting on cash or accruals	Yes – Only the interest component of each repayment as you pay it
Hire Purchase/ Financial Lease	Yes	Yes	Yes – If you account for GST an accrual basis only	Yes – Only the interest component of each repayment as you pay it
Operating Lease	No	No	No – You can claim GST on each payment as you make them	No – You claim the repayment amounts.

Note all claims for GST or deductions for income tax purposes must be apportioned to the business use % of the asset involved.