

NORWEST-FINANCE

CHP facts & benefits

FEATURES

- Deposits are optional, but are generally not required
- Government charges on the agreement and on the payments vary between states
- Repayment terms are 12 to 60 months

BENEFITS

- Ownership automatically transfers to you with the final payment
- Equipment can be purchased at any time during the term of the agreement
- Interest and equipment depreciation are generally tax-deductible

GST

- Hire Purchase agreements are subject to GST where the term's charges are disclosed in the hire purchase agreement.
- GST is calculated on the cost of the equipment less the Input Tax credit applicable to the purchase. Repayments are not subject to GST.
- The method of claiming GST will depend upon whether the client is registered for GST on a cash or accrual basis.
 - Accrual Basis: GST may be claimed as a lump sum with next BAS return.
 - Cash Basis: Funding GST component must be amortised over life of contract. It should be noted that most clients would be cash based.

REPAYMENT CALCULATOR

- The loan calculation is based on the total amount to be borrowed including GST (Less any deposit) Stamp Duty (0.75%) is added to each payment.