When adjustments are made to the value of previously charged taxable supplies an adjustment note is required.

Under the GST Act, an adjustment event occurs in the following situations:

- Cancelled sale;
- Returned goods;
- Discount/part refund/rebate applied;
- Error in original invoice;
- Error in delivery affecting the transaction value; or
- Change in the GST status of the transaction.

Format of Adjustment Notes

For all adjustments between $55 and $1,000 (GST inclusive), the following information must be included on an adjustment note to meet the requirements of a “Tax Adjustment Note”:

- The words "Adjustment Note" prominently displayed.
- Supplier’s Australian Business Number (ABN);
- Supplier’s Name;
- Issue date of the adjustment note;
- A description of the reason for the adjustment (i.e. discount, refund, return);
- Price of the supply as per the original tax invoice, the adjusted price of the supply and the adjustment value; and
- The amount of the adjustment to the GST payable, or a statement to the effect that the difference in price of the taxable supply includes GST.

For all adjustments $1,000 or more (GST inclusive), the tax adjustment note must include the following extra information:

- customer name; and
- customer address or ABN if address not supplied.

The supplier must issue an adjustment note within 28 days of the earlier of receiving a request by the recipient of the supply, or becoming aware of the adjustment.
Recipient Created Adjustment Notes

Where the original transaction was subject to a Recipient Created Tax Invoice, a Recipient Created Adjustment Note is required on an adjustment event, i.e. the recipient of the initial supply issues the Recipient Created Adjustment Note on behalf of the supplier.