

Taxable payments reporting

Information about taxable payments reporting for businesses in the building and construction industry.

DO YOU RUN A BUSINESS IN THE BUILDING AND CONSTRUCTION INDUSTRY?

If you run a business in the building and construction industry, you need to report the total payments you make to each contractor for building and construction services each year. You need to report these payments to us on the *Taxable payments annual report*.

We will use the information you report about payments you made to contractors to detect contractors who have not:

- lodged tax returns
- included all their income on tax returns that have been lodged.

To make it easier to complete the *Taxable payments annual report* you may need to check the way you record your contractor information.

Who needs to report?

You need to report if all of the following apply:

- you are a business that is in the building and construction industry
- you make payments to contractors for building and construction services
- you have an Australian business number (ABN).

What do you need to report?

You need to report the following information about each contractor:

- their ABN, if known
- their name
- their address
- the gross amount you paid them for the financial year (this is the total amount paid inclusive of GST)
- the total GST included in the gross amount you paid.

You can find this information in the invoices you received from your contractors.

❗ A contractor can be a sole trader (individual), partnership, company or trust.

➤ If you keep your records on paper, you can download and print a blank worksheet to help you record the information you need to complete the report.

The worksheet is available on our website at ato.gov.au/taxablepaymentsreporting It is for your records only – do not send the worksheet to us.

Payments you need to report

You need to report the total payments you make to each contractor for building and construction services that are performed on, or in relation to, any part of a building, structure, works, surface or sub-surface.

The definition of building and construction services is broad. It includes services such as architectural work (including drafting and design), certification, decorating (including painting), engineering, landscaping construction, project management and surveying.

EXAMPLE

RS Electrical Pty Ltd is a business that performs work related to the design, installation and maintenance of electrical systems. The company engaged James to inspect the electrical work on a building project and provide electrical certification. They need to report the payments they make to James.

Examples of buildings, structures, works, surfaces or sub-surfaces include commercial, industrial and housing buildings, footpaths, sports fields and tunnels.

➤ For more examples of building and construction services, buildings, structures, works, surfaces or sub surfaces, visit our website at ato.gov.au/taxablepaymentsreporting

When your payment is for both labour and materials, you report the whole amount.

Payments you do not report

Do not report:

- payments for materials only
- any invoices that are unpaid at 30 June each year
- payments which must be reported in a *Pay as you go (PAYG) withholding payment summary annual report*, such as payments to employees
- payments for private and domestic projects – for example, payments you make for building or renovating your own home.

When do you report?

The *Taxable payments annual report* is due 21 July each year.

How do you lodge your report?

You can lodge your *Taxable payments annual report* online or on paper.

Online

The easiest and most secure way to lodge your report is online.

You can lodge your report online using the Business Portal, Tax Agent Portal, BAS Agent Portal or Standard Business Reporting (SBR).

To lodge online you will need the following:

- an ABN
- an AUSKey – to protect your security and privacy when dealing with us online
- accounting software that meets our requirements.

❗ If you do not have an AUSKey for your ABN, you can register for one at auskey.abr.gov.au

➤ Scan to watch a short video about lodging your *Taxable payments annual report* online or go to ato.gov.au/tpr



Paper

To lodge a paper form, complete and send the *Taxable payments annual report* (NAT 74109) to us.

If you have more than nine contractors, you will need to order additional forms. You cannot use forms that you print or photocopy yourself – you must use a form that we have printed.

You can obtain copies of the printed form from our online publications ordering service on ato.gov.au/onlineordering or by phoning us on **1300 720 092**.

➤ A sample of the form is available on our website at ato.gov.au/taxablepaymentsreporting

➤ MORE INFORMATION

For more information about taxable payments reporting, visit our website at ato.gov.au/taxablepaymentsreporting for:

- a list of activities and occupations that are considered to be building and construction services
- examples of situations where you need to report
- exclusions from reporting requirements
- a sample of the report form
- a blank worksheet to help you record payments you make to contractors
- information about how to lodge your report.

For all enquiries, phone us on **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on relayservice.com.au and ask for the ATO number you need.

OUR COMMITMENT TO YOU

We are committed to providing you with guidance you can rely on, so we make every effort to ensure that our publications are correct.

If you follow our guidance in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our guidance in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at ato.gov.au or contact us.

This publication was current at **March 2014**.