

**Taxable payments annual report - New Reporting Requirement for Businesses in Building and Construction Industry making payments to contractors for building and construction services for year ending 30 June 2013**

**WHO IS AFFECTED?**

Businesses in the Building and Construction Industry if **ALL** of the following apply:

1. A business that is primarily in the building and construction industry
2. Makes payment to contractors for building and construction services
3. A business with an Australian business number (ABN)

A business is considered to be in a business that is primarily in the building and construction industry if **ANY** of the following apply:

1. In the current financial year, 50% or more of the business income is derived from providing building and construction services
2. In the current financial year, 50% or more of the business activity relates to building and construction services
3. In the financial year immediately before the current financial year, 50% or more of the business income was derived from providing building and construction services

**WHAT TO REPORT?**

For each contractor that provided building and construction services to the business, the business needs to report the following details each financial year:

1. ABN, if known
2. Name
3. Address
4. Gross amount (including GST) paid for the financial year
5. Total GST included in the gross amount paid

**PAYMENTS TO REPORT?**

Businesses in Building and Construction Industry need to report payments made to contractors for building and construction services.

Building and construction services include any of the activities listed below if they are performed, or in relation to, any part of a building, structure, works, surface or sub-surface:

- Alteration
- Assembly
- Construction
- Demolition
- Design
- Destruction

- Dismantling
- Erection
- Excavation
- Finishing
- Improvement
- Installation
- Maintenance
- Management of building and construction services
- Modification
- Organisation of building and construction services
- Removal
- Repair
- Site preparation

For a list of occupations and work activities that qualify as building and construction services, please click on ***Appendix 1: Examples of building and construction services*** link in previous email.

For examples of what ATO considers to be buildings, structures, works, surfaces or sub-surfaces, please click on ***Appendix 2: Examples of buildings, structures, works, surfaces or sub-surfaces*** link in previous email.

For payments of invoices include both labour and materials, whether itemised or combined, the business should report the **WHOLE** amount of the payment unless the labour component is only incidental.

Do not report any UNPAID invoices as at 30 June each year. For example, if you receive an invoice in June 2013, but you do not pay that invoice until sometime in July 2013, you report that payment in the 2013-2014 Taxable payments annual report.

#### **WHEN TO REPORT?**

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

The first Taxable payments annual report is due 21 July 2013 for payments made during 2012/2013 financial year. In this first year, if you lodge your activity statement quarterly, you can lodge by **28 July 2013**. For lodgements done by a registered tax agent, lodgement is due **25 August 2013**.

#### **HOW TO LODGE?**

Lodgement of the Taxable payments annual report can be done by one of the following methods:

- From July 2013, online using the Business Portal or Tax Agent Portal or Standard Business Reporting
- Electronic storage media that you mail to ATO

Completing the paper form, Taxable payments annual report (NAT 74109), and mail to ATO. (Click on **Sample Form** link in previous email)