

Taxable Payments Reporting- Building & Construction

From 1 July 2012, businesses in the building and construction industry need to report the total payments they make to each contractor for building and construction services each year on the Taxable Payments Annual Report.

Contractors who pay other contractors for building and construction services may also be required to report if they are carrying on a business that is primarily in the building and construction industry

You need to report if all of the following apply:

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

Details you need to report

For each contractor, you need to report the following details each financial year:

- ABN, if known
- Name
- Address
- Gross amount you paid for the financial year (this is the total paid including GST)
- total GST included in the gross amount you paid

Worksheet

If you keep manual records the ATO have developed a worksheet you can print to help you record details of payments you make to contractors for their building and construction services. Please see us if you require assistance or alternatively if you wish to use the worksheet, refer to Taxable payments reporting - worksheet



Keeping records

Before 1 July 2012 it is important to check the way you keep your contractor payment information to make sure you collect the details you will need to complete the Taxable payments annual report. Some accounting software providers have modified their systems to assist in capturing the information & producing the annual report.

When to report

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

The first Taxable payments annual report is due 21 July 2013 for payments made in the 2012-13 financial year unless you

lodge your business activity statement quarterly, then you can lodge by 28 July 2013.

Payments you do not report

- Payments for materials only - You are not required to report on payments where the invoices are for materials only, such as building supplies and materials.
- Unpaid invoices as at 30 June each year
- You do not report payments that are required to be reported in a Pay as you go (PAYG) withholding payment summary annual report or a Pay as you go (PAYG) withholding where ABN not quoted annual report - for example, payments to:

- ✓ employees
- ✓ workers engaged under a voluntary agreement to withhold
- ✓ workers engaged under a labour hire or on-hire arrangement
- ✓ contractors who do not quote an ABN.

You will not need to report if you are a home owner making payments to contractors for building and construction services - for example, if you are building or renovating your own home.

Contact Prosperity Accountants team today at enquiries@prosperityaccountants.com.au or call +61 8 9443 5199 for assistance.

The information contained in this Business Guide is not exhaustive and is based on conditions prevailing at the time of publication. Users are advised to consult professionals before taking any formal action. While all reasonable care has been taken in the preparation of the publication, we do not accept any responsibility for any errors it may contain, whether caused by negligence or otherwise, or for any loss, however, caused, or sustained by any person that relies on it.

Note: This information is of a general nature only and is not intended to be relied upon, nor to be a substitute for, specific professional advice. Also as changes in legislation may occur quickly we recommend that our formal advice be sought before acting in any of the above areas.

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