

Taxable payments reporting – building and construction industry

ARE YOU A BUSINESS IN THE BUILDING AND CONSTRUCTION INDUSTRY THAT PAYS CONTRACTORS FOR BUILDING AND CONSTRUCTION SERVICES?

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. You need to report these payments to us on the *Taxable payments annual report*.

❗ To make it easier to complete the annual report you may need to check the way you currently record your contractor information.

WHO NEEDS TO REPORT?

From 1 July 2012, 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).

DETAILS YOU NEED TO REPORT

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

- Australian business number (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.

The details you need to report will generally be contained in the invoices you receive from your contractors.

❗ You can download and print a blank worksheet that may help you to complete the *Taxable payments annual report* from www.ato.gov.au/taxablepaymentsreporting

Do not send the worksheet to us.

PAYMENTS YOU NEED TO REPORT

You will need to report payments you make to contractors for building and construction services.

Building and construction services include any of the activities listed below if they are performed on, 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 examples of building and construction services, visit our website at www.ato.gov.au/taxablepaymentsreporting

! Where 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 unpaid invoices as at 30 June each year – for example, if you receive an invoice in June 2012, but you do not pay that invoice until some time in July 2012, you report that payment in 2012-13 *Taxable payments annual report*
- payments which are required to be reported in a *Pay as you go (PAYG) withholding payment summary annual report*, such as payments to employees
- payments made by home owners for private and domestic projects – for example, payments you make for building or renovating your own home.

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 in the 2012–13 financial year. In this first year if you lodge your business activity statement quarterly, you may lodge by 28 July 2013.

HOW TO LODGE YOUR TAXABLE PAYMENTS ANNUAL REPORT

You can lodge your report online or on paper.

Online

Information about lodging the *Taxable payments annual report* online will be available closer to the due date. If you use commercial software, check with your software provider that you will be able to produce the new report. For general information about our online services and how to lodge online visit www.ato.gov.au/onlineservices

Paper

If you intend to lodge a paper form, you need to complete and send the ATO *Taxable payments annual report* to us. You must use this ATO form and you can order it, after 1 July 2012, online or by phoning **1300 720 092**. If you have more than nine contractors, you will need to order additional forms.

! A sample of the form and information on how to order it is available on our website at www.ato.gov.au/taxablepaymentsreporting

MORE INFORMATION

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

- a list of activities and occupations that are considered to be building and construction services
- examples of situations where reporting is required
- exclusions from reporting requirements
- a sample of the annual report form
- a blank worksheet to help with recording payments you make to contractors.

For all enquiries call **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 www.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 www.ato.gov.au or contact us.

This publication was current at **April 2012**.