



H E R R I E S D A V I D S O N & C O

CHARTERED ACCOUNTANTS

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Reporting Taxable Payments in the 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 the ATO using the Taxable payments annual report which can be found via the following link <http://www.ato.gov.au/content/downloads/BUS00321342n74109.pdf>.

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.

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 | • Installation |
| • Assembly | • Maintenance |
| • Construction | • Management of building and construction services |
| • Demolition | • Modification |
| • Design | • Organisation of building and construction services |
| • Destruction | • Removal |
| • Dismantling | • Repair |
| • Erection | • Site preparation |
| • Excavation | |
| • Finishing | |
| • Improvement | |

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 sometime 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 ATO online services and how to lodge online visit

www.ato.gov.au/online services.

Paper

If you intend to lodge a paper form, you need to complete and send the ATO Taxable payments annual report. 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.

If you have any questions, please do not hesitate to contact our office.