



Do you need to lodge a Taxable Payments Annual Report?

Businesses providing services for contractor payments in the past year need to lodge a Taxable Payments Annual Report (TPAR) by 28 August 2020.

A TPAR is a building and construction industry specific report for businesses who hire contractors as part of their services. The TPAR is used by the ATO to track all payments made to contractors for providing services, and ensures compliance by holding contractors accountable to their tax requirements.

Contracted services which require a TPAR include:

- Building and construction;
- Cleaning;
- Courier or road-freight;
- IT; and
- Security, investigation or surveillance.

Businesses which claim deductions for contractor expenses in their tax return are also required to lodge a TPAR. Lodging a TPAR is not optional and penalties may apply if businesses do not lodge their TPAR on time.

The ATO has also introduced a new Non Lodgement Advice form for businesses which have not provided any of the above services or paid contractors. The Non Lodgement Advice form allows businesses to lodge multiple years on the same form, advise when they are not required to lodge in the future and give a reason, as well as validate any information entered.

It is important to be mindful of your obligations as a business before engaging or entering into an agreement with a contractor. Although the ATO provides an online lodgement service for business owners, the lodgement method requires specific SBR-enabled business software and file transfer functions. For business owners who are unsure whether or not lodging a TPAR is necessary, or of all the steps required to lodge a TPAR online, working with your tax agent or BAS agent will ensure your lodgements are made to the ATO correctly and on time.

Please give us a call if you need a hand.

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THAT MAKE A
DIFFERENCE
TO YOU.**