



ATO expands Contractor Reporting

The ATO continues to expand the list of businesses who must report payments they make to contractors for services via the taxable payments annual report (TPAR).

Alongside businesses in the building and construction industry, any business that supplies cleaning or courier services are now also included in the taxable payment reporting system. You must report payments made to contractors each year providing your business has an Australian business number (ABN). The TPAR is due every year by 28 August.

You must report when:

- You are running a business primarily in the building and construction industry.
- You are running a business providing cleaning or courier services (even if it is only part of the services you provide). You may need to lodge a TPAR if the payments you receive for courier or cleaning services account for at least 10 per cent of your total GST turnover.

The ATO defines each service as follows:

- Building and construction services cover a broad category, including architectural work, certification, engineering, and project management and surveying.
- Cleaning services include cleaning in interior and exterior spaces, carpet cleaning, swimming pool cleaning and gutter cleaning.
- Courier services include commercial activities where goods are collected or delivered on foot or via vehicles or drone. It will not be considered a courier service if delivery is the only option your customers have to receive their goods, you used a passenger transport service or a freight transport.

When it comes time to report make sure you include the following payee details:

- The ABN (where known)
- Business or individual's name
- Address
- For the financial year, the total Gross amount paid (including GST plus any tax withheld), total GST paid to the contractor and total tax withheld where ABN was not given.

There are some payments you will not be required to disclose, including:

- Payments for incidental labour
- PAYG withholding payments
- Payments within consolidated groups
- Payments for private and domestic services
- Payments for materials only
- Unpaid invoices as at 30 June each year

If you think these changes may apply to you, please don't hesitate to call to see how your business might be impacted.

A tailored approach for each business is recommended so call us for assistance and advice on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.

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