

Building & Construction: “Taxable Payments” Reporting Obligation



Do you work in the **building & construction** industry? Do you hire **contractors** for your building & construction projects **regularly**? If your answers are “yes” to both questions, you now have a new reporting obligation called “taxable payments” due on **28 August** every year

ATO requires all Australian businesses in the building and construction industry to report all payments they make to contractors for building and construction services. The aim of this new system is to improve compliance with tax obligations by those contractors who are currently not doing the right thing.

Who does the reporting regulation apply to?

- in the current financial year, more than 50% of your business income comes from providing building and construction services;
- in at least one of the two past financial years, more than 50% of your business income was derived from providing building and construction services

What occupations and work activities affected?

- **Building and construction services:** Architectural work, Bricklaying, Cabinet making, Concreting, Decorating, Electrical machinery, heavy installation, Excavating and grading, Fencing, Flooring, Glass and glazing work, Hanging or installing doors, etc.
- **Goods and services supplied:** Installation of alarm systems, Installation or work on devices for heating & cooling, Insulation work, Irrigation system construction, Pipeline construction, Project Management, Roofing and guttering, Sewage, Swimming pool installation, Timber work, etc.

For the full list, visit the ATO Website.

What needs to be reported?

- The contractor’s name, address and ABN

- ➔ The total amount paid or credited to the contractor over the income year
- ➔ Whether any GST has been paid
- ➔ Any other information you think is relevant

At MAS Tax Accountants South Yarra, we can help you with the “taxable payments” reporting and other accounting and tax return requirement. We can help you to choose and set up an online accounting system to serve your needs.

For more information or to make an appointment, contact us below or call us on 03 9279 3912 or visit our office just opposite to South Yarra train station at 141 Osborne Street.