



Taxable Payments annual report Building and Construction Industry

Overview

Are you a business in the Building and Construction Industry that pays contractors for building and construction services?

From 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. These payments need to be reported to the ATO using the Taxable Payments Annual Report.

The first report is due by 21 July 2013.

To make it easier to complete the annual report you need to check the way you currently record your contractor information. The purpose of this document is to make sure you are capturing information correctly in QuickBooks to be able to submit this report.

For more information on the actual report, including details you need to report, payments you need to report and payments you do not need to report, please use the following links:

<http://www.ato.gov.au/businesses/content.aspx?doc=/content/00319801.htm>

<http://www.ato.gov.au/businesses/content.aspx?doc=/content/00313486.htm&alias=taxablepaymentsreporting>

<http://www.ato.gov.au/content/00321342.htm>

There may be more information on the ATO website that may be of use to you regarding this report, so please take the time to browse the site and read the available information.

Contractors or Employees

Also if you want to make sure that your contractors are handled correctly in QuickBooks, i.e. as Contractors (Suppliers) or Employees, please use the following links:

<http://www.ato.gov.au/content/00326451.htm>

<http://www.ato.gov.au/content/00095062.htm?alias=employeecontractor>

It is very important that you get this right when reporting to the ATO, as employees are taxed differently and therefore reported differently to the ATO.



Gathering information

The following section details the information that you must enter in QuickBooks to ensure that you are reporting correctly on the Taxable Payments annual report.

Company

To open the Company Information, go the **Company** menu and click **Company Information**.

The following fields are mandatory when reporting on the Taxable Payments annual report, so please make sure that these fields have the correct entries.

Company Information field	
Tax Rego ID	Must be a valid ABN.
Branch Number	The Branch number, e.g. 001
Legal Name	Must be the company name that corresponds to the ABN.
Contact	Must be the person who does your Tax reporting and can be contacted regarding this report.
Phone #:	The Phone number of the contact person.
Legal Address	The Legal Address line 1, must contain the street address.
City	The City of the Legal address.
State	The State of the Legal address.
Postcode	The Postcode of the Legal address.

Supplier

In QuickBooks only Suppliers can be added to the Taxable Payments annual report. The following fields are mandatory when reporting your contractors (suppliers), so please make sure that these fields have the correct entries.

To open the Supplier Profile, go to the **Supplier Centre** and double-click the **Supplier**.

Supplier Profile field	
Company Name	This must be as it appears on the supplier's invoice. If the Last Name and First Name are blank this field must be completed.
Last Name	If the supplier is an individual this field must be completed. Where the supplier is a non-individual this field must be blank.
First Name	If the supplier is an individual this field must be completed. Where the supplier is a non-individual this field must be blank.
Address	In the Address Details window, the Address field must have the street number and name.
City	In the Address Details window, the City field must have the City.
State	In the Address Details window, the State field must have the State.
Postcode	In the Address Details window, the Postcode field must have the Postcode.
Tax Reg. ID	Must be a valid ABN. If no ABN is quoted, leave this field blank.



QuickBooks 2013 changes

The following section details the changes that are being made to QuickBooks 2013 to allow you to create the Taxable Payments annual report.

Preferences

A new preference will be added to the Tax Company Preferences tab asking if you will be submitting the Taxable Payments annual report. When this preference is selected it will enable the report in QuickBooks and also the ability to select the Suppliers you want to include in this report.

Suppliers

When the new Tax Company Preference is enabled you will also see a new checkbox on the Supplier Profile window labelled **Include in Taxable Payments annual report**. When this option is selected, any payments to that supplier within the selected financial year will be included in the Taxable Payments annual report.

Report

When the new Tax Company Preference is enabled you will also see a new menu option: **Supplier > Tax Activities > Process Taxable Payments annual report**. This allows you to create the Taxable Payments annual report.

The Report

The main aim of this report is to capture Gross Totals, Total GST and Total Tax Withheld for Contractors (Suppliers) within a selected financial year.

In QuickBooks, any selected Supplier who has received a bill payment (by cash, cheque, online banking), cheques and credit card payments for services only or services and items will be included in the report.

There are also two scenarios when reporting on Suppliers; Contractors with ABN's and Contractors without ABN's.

Note: It is possible to have one supplier with both scenarios in the one financial year.

Contractors with ABN's

Contractors (suppliers) that have quoted an ABN will need to have Total Gross payments and Total GST reported.

Contractors without ABN's

Contractors (suppliers) that have NOT quoted an ABN will need to have Total Gross payments and Total Tax Withheld reported.

IMPORTANT: We recommend that if you have to withhold non-GST tax from a supplier, that you use a consistent liability account so these payments are picked up on the annual report. We strongly recommend that you name this liability account **ABN Tax Withholding**.

If you don't use a consistent liability account we cannot guarantee that these accounts will be picked up on the Taxable Payments annual report from QuickBooks.