



Media release

13 August 2019

Cleaners, couriers, and construction industry reminded to lodge Taxable Payments Annual Report by 28 August

Businesses that provide cleaning or courier services, as well as businesses in the building and construction industry were today reminded that they may need to lodge a Taxable Payments Annual Report (TPAR) with the Australian Taxation Office (ATO) by 28 August 2019.

ATO Assistant Commissioner Peter Holt said the Taxable Payment Reporting System (TPRS) has been a requirement in the building and construction industry since 2012, and this is the first year that businesses that provide cleaning or courier services may need to lodge.

“Payments made to contactors or subcontractors who have provided cleaning or courier services on behalf of businesses in these industries in the 2018-19 financial year must be reported to the ATO – including cash payments,” Mr Holt said.

Businesses that provide a range of services, not just cleaning or courier services – known as “mixed businesses” – may also need to report if payments they received for cleaning or courier services make up 10 per cent or more of their total GST turnover. In practice this means that if the payments the business receives for cleaning or courier services are only a minor part of their overall turnover then it is unlikely they will need to lodge a TPAR.

Data provided in the TPAR is used by ATO to identify contractors who may not be doing the right thing with their tax, for example, not reporting income, failing to lodge tax returns or activity statements, not registering for GST, or using false ABNs.

“TPRS prevented \$2.7 billion from being lost to the black economy in the 2015-16 financial year, so it’s a very effective way for us to tackle the black economy and keep things fair for businesses who we know are doing the right thing.” Mr Holt said.

As at early August 2019, over 30,000 businesses have already lodged a TPAR for 2018-19 or told the ATO that they’re not required to lodge.

The Black Economy Taskforce estimates that the black economy is costing the community as much as \$50 billion, which is approximately three percent of Gross Domestic Product (GDP).

“TPRS is all about keeping the system fair for these industries,” Mr Holt said.

Reporting TPAR online is quick and simple. Businesses can report online through the ATO’s Online Services or business software that offers TPAR. Registered tax professionals can also lodge the TPAR on behalf of their clients.

“Get it done on time so you don’t miss the deadline – TPAR is not optional and penalties may apply if you do not lodge by the due date,” Mr Holt said.

TPRS has been extended to road freight, information technology (IT), security, investigation and surveillance services following a recommendation from the Black Economy Taskforce . Reporting for these services will be due by 28 August 2020, covering the 2019-20 financial year

More information to help businesses work out if they need to lodge, how to lodge, and what to report is available at ato.gov.au/TPAR. Information is also available in Arabic, Traditional and Simplified Chinese, Greek, Korean, Nepali, Spanish, and Vietnamese.

Case study: Mixed business

Roses Pty Ltd sell floral arrangements from their shop. They also offer a delivery service to their customers.

Roses Pty Ltd often pay contractors to make their deliveries (courier services) on their behalf. The delivery cost is passed onto to their customers where deliveries are required.

Roses Pty Ltd calculate that they have received \$13,000 for these delivery services from their customers in the 2018-2019 financial year.

As they provide delivery (courier) services, they need to check if they need to lodge a TPAR.

They need to calculate if they have received more than 10% of their total GST turnover from cleaning or courier (delivery) services.

They work out that their total GST turnover is \$100,000 and the amount they received from their customers for courier (delivery) services is \$13,000.

They then divide the total amount they received for delivery services by their total GST turnover amount:

$$\$13,000 / \$100,000 = 13\%$$

The payments they receive for courier services is 13% of their total GST turnover. They will need to lodge a TPAR in 2019 as this is above the 10% threshold.

Roses Pty Ltd will need to do this calculation each year to see if they need to lodge a TPAR reporting payments they made to contractors for the delivery services.