

If you provide courier or road freight services, you have a new tax reporting responsibility



If your business provides any courier or road freight services – even if it's only part of the services you provide – you may need to lodge a *Taxable payments annual report* (TPAR). Payments you make to your employees are not included on your TPAR.

If you provide road freight services your first TPAR is due by 28 August 2020 for payments you made to contractors and subcontractors between 1 July 2019 and 30 June 2020.

If you provide road freight and courier services you need to report both services in your TPAR.

Your TPAR is important as it helps us to identify people who are not doing the right thing and reporting their income incorrectly.

Make sure you report accurately and on time.

Doing your TPAR involves the three steps of **preparing, recording and reporting.**

1. Prepare

Work out if you need to report

You may need to lodge a TPAR if you:

- make any payments to contractors for the courier and road freight services they provide on your behalf if:
 - the total amount you charge your customers and clients for courier and road freight services is **10% or more** of your total business income for the year
 - you have an Australian business number (ABN).

You may need to lodge even if courier and road freight services are only part of the services you provide.

For more information including examples to help you work out if you need to report, visit ato.gov.au/TPAR

2. Record

Check you're keeping the right records

Keeping good records as you go will make it easier to complete your TPAR.

Check you're recording the right information for each contractor, including:

- ABN (where known)
- name
- address
- total amount you paid to them during the financial year including any goods and services tax (GST).

These details are generally found on the invoices contractors give you. It's the same information you need when claiming deductions for contractor expenses or GST credits for your activity statement.

3. Report

Lodge your TPAR online by 28 August

Lodging online is quick and simple. Choose the lodgment option that works for you:

- Check if your business accounting software can create and lodge the TPAR – talk to your digital service provider if you're not sure.
- Complete and lodge your TPAR through our Business Portal.
- Individuals and sole traders can lodge using a myGov account linked to the ATO.
- Registered tax and BAS agents can also lodge the TPAR on your behalf.

For more information about how to lodge visit ato.gov.au/TPARlodge

Why we collect information about payments to contractors

We use the information provided on the TPAR to identify contractors who have:

- not included all their income on their tax return
- not registered for GST where they are required to do so
- not lodged tax returns or activity statements
- quoted the wrong ABN on their invoices.

➤ For more information visit ato.gov.au/TPAR or speak to your registered tax agent.

Do you know the difference between employees and contractors?
ato.gov.au/employeeorcontractor



Australian Government
Australian Taxation Office