

If you provide **information technology services** you may have taxable payments reporting responsibilities



If your business provides information technology (IT) 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 in your TPAR.

If you need to lodge a TPAR it must be lodged by the 28 August due date. Lodging a TPAR is not optional.

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

Payments made to you by other businesses may also be reported to us. 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 payments to contractors for IT services they provide on your behalf if:
 - the total amount you charge your customers and clients for IT 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 a TPAR even if IT services are only part of the services you provide.

For more information 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 lodged tax returns or activity statements
- not registered for GST where they are required to do so
- quoted the wrong ABN on their invoices.

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

To find out the difference between employees and contractors, visit ato.gov.au/employeeorcontractor



Australian Government
Australian Taxation Office