

# TAXABLE PAYMENT ANNUAL REPORT

## SUMMARY

This document explains how the new ATO requirement for reporting of 'service payments' to sub-contractors is handled by Constructor.

Then it will discuss the way Constructor handles gathering of information for this report.

Finally it will look at how to produce the report for tax purposes.

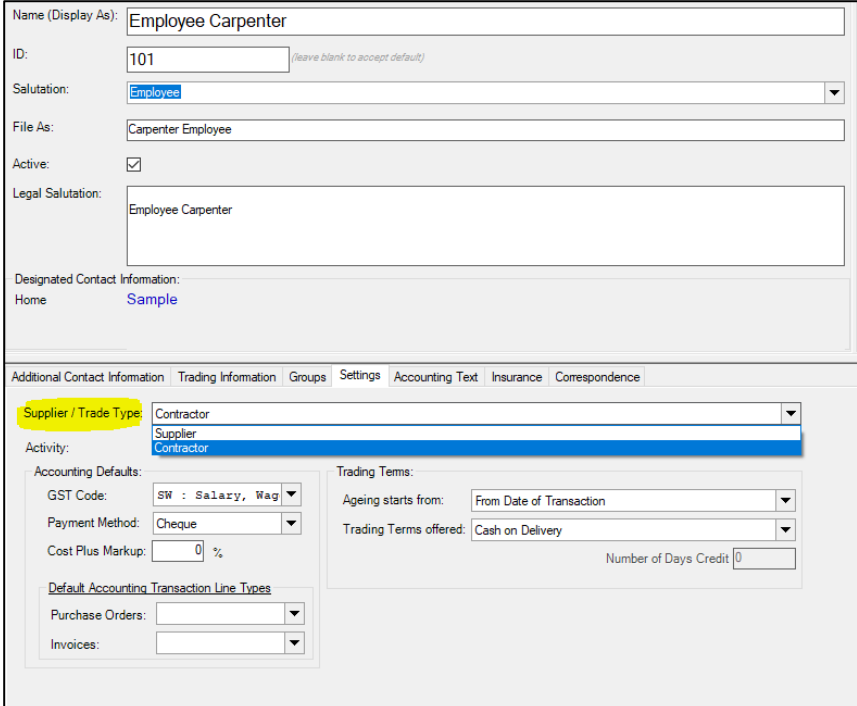
## HOW IT WORKS

If your Supplier/Trade has a classification of **Contractor** and had payments for that year, they will be subject to this report. It is important that your Supplier/Trade is set to **Contractor** to be included.

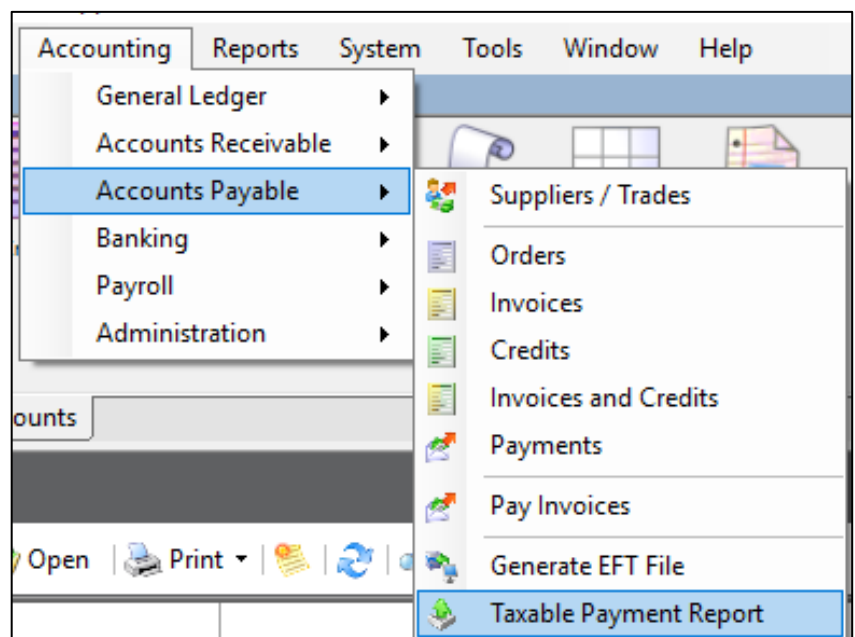
## PRODUCING THE REPORT

The ATO prefer the Taxable Payments Annual Report to be submitted to them electronically via their online business portal. Constructor will generate the electronic file for you to submit via this medium.

This can be accessed via the Accounts Payable menu through the drop-down selection **Accounting > Accounts Payable > Taxable Payment Report**.



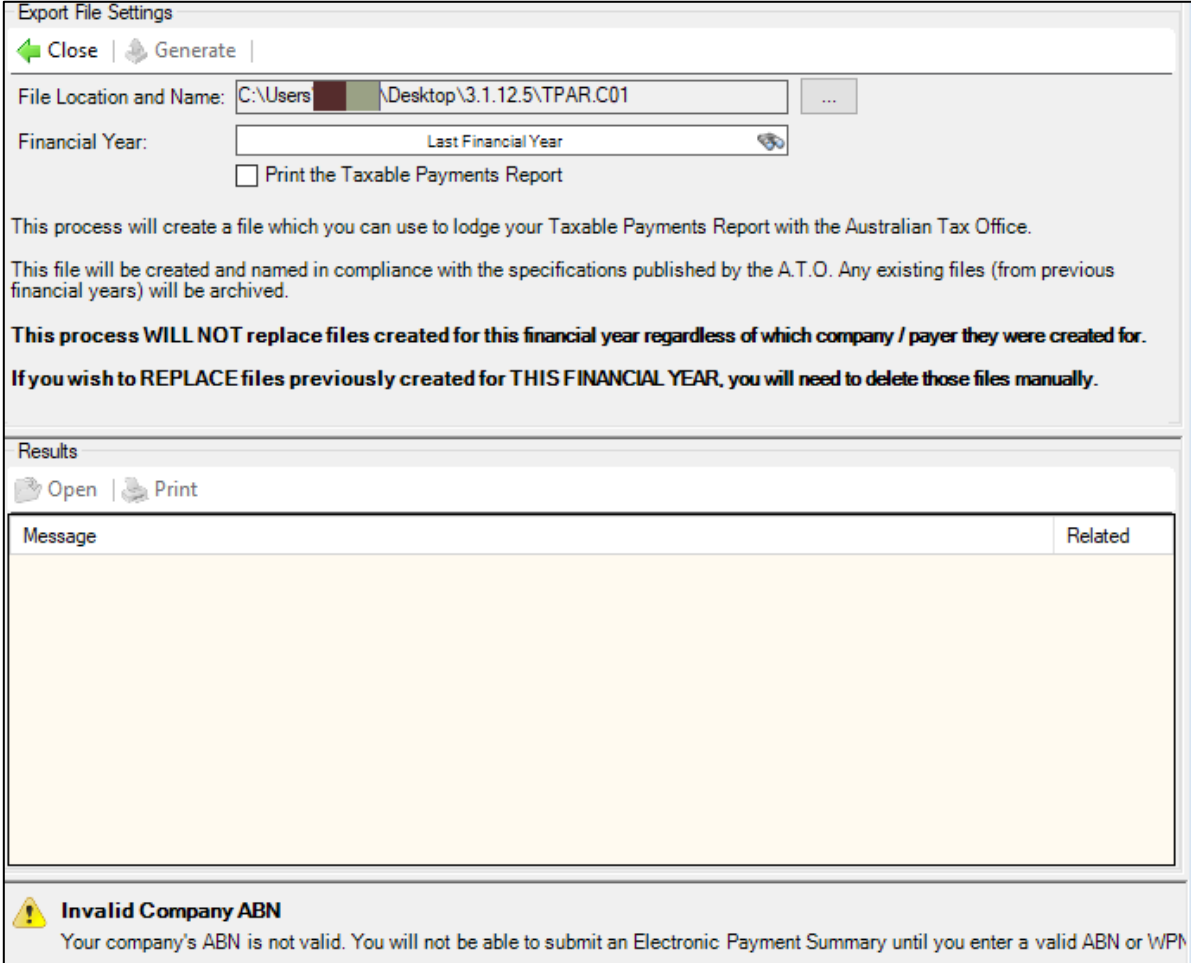
The screenshot shows the 'Supplier / Trade' setup form in Constructor. The 'Name (Display As)' field is 'Employee Carpenter'. The 'ID' field contains '101'. The 'Salutation' dropdown is set to 'Employee'. The 'File As' field is 'Carpenter Employee'. The 'Active' checkbox is checked. The 'Legal Salutation' field is 'Employee Carpenter'. Below this, there is a section for 'Designated Contact Information' with a 'Home' field containing 'Sample'. At the bottom, there are tabs for 'Additional Contact Information', 'Trading Information', 'Groups', 'Settings', 'Accounting Text', 'Insurance', and 'Correspondence'. The 'Supplier / Trade Type' dropdown is set to 'Contractor'. The 'Activity' dropdown is also set to 'Contractor'. The 'Accounting Defaults' section includes 'GST Code' (SW : Salary, Wag), 'Payment Method' (Cheque), and 'Cost Plus Markup' (0%). The 'Trading Terms' section includes 'Ageing starts from' (From Date of Transaction) and 'Trading Terms offered' (Cash on Delivery).



The default report name is TPAR (Taxable Payment Annual Report) and will save to your documents Folder. The location can be changed if required by clicking the ellipsis next to the file location and name.

The **Financial Year** dates will default to the last financial year when this form is opened however they can be changed if necessary.

**Print the Taxable Payments Report** option will produce a summary preview of what is included in the report and can be printed for personal records.



Export File Settings

Close | Generate

File Location and Name: C:\Users\...\Desktop\3.1.12.5\TPAR.C01

Financial Year: Last Financial Year

Print the Taxable Payments Report

This process will create a file which you can use to lodge your Taxable Payments Report with the Australian Tax Office.

This file will be created and named in compliance with the specifications published by the A.T.O. Any existing files (from previous financial years) will be archived.

**This process WILL NOT replace files created for this financial year regardless of which company / payer they were created for.**

**If you wish to REPLACE files previously created for THIS FINANCIAL YEAR, you will need to delete those files manually.**

Results

Open | Print

Message

Invalid Company ABN

Your company's ABN is not valid. You will not be able to submit an Electronic Payment Summary until you enter a valid ABN or WPM

Make sure your company has a valid ABN set. This can be changed via the Company settings. Go to **System > Company > Open your company > Details tab**.

Once you hit **Generate**, Constructor will gather information from all invoice, credit and remittance line items that fall between the given dates and which have been flagged as being related to a 'service'. The information will be totalled by Supplier / Trade and included in the file (for submission to the ATO) according to the ATO's specifications. (Specifications describing the contents of this electronic file are available from the ATO or from Constructor support.).

A printed version of the report is also available for your records, as described above, by checking the "Print the Taxable Payment report" option as you generate the file.