



## Ready for business

The key things you need to know and do when starting your own business.

### Are you in business?



Work out whether you're in business and when your business starts for tax purposes.

### Before you start a business



Tax, super and registration obligations you need to consider before you start a business.

### Business structures – key tax obligations



See your key tax obligations for a sole trader, partnership, company or trust business structure.

### Franchising and tax



Tax treatments for franchise-specific payments and transactions between franchisors and franchisees.

### Using your business money and assets for private purposes



You may need to report money and assets taken from your company or trust as income in your tax return.

### **Good business habits**



Using digital tools, getting advice and keeping accurate records will help your business to stay on track.

### **Supporting your small business**



Tax time essentials, learning resources, tools and services to support small business.

### **Managing payments**



How to prevent tax debt, make prepayments and payment transfers, and more.

### **Small business focus areas**



The risks we're focused on right now.

### **Small business newsroom**



Read the latest updates on tax, super and registry services for small businesses.

Authorised by the Australian Government, Canberra.

QC 31774

## **Are you in business?**

Work out whether you're in business and when your business starts for tax purposes.

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**Media:** Are you in business?

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfurqip>  (Duration: 2:18)

## What is a business?

Generally, a business involves a set of continuous and repeated activities you do for the purpose of making a profit. Profit can be in money, but it can also be made through other means, like being paid with goods or services (such as a barter deal).

A one-off transaction can also be a business if it is either:

- intended to be repeated
- the first step in starting a business.

You can run one business or multiple businesses at the same time.

You can follow the [steps below](#) to help you work out if your activities are a business.

## When you're not in business

Not everything you do to make money is a business.

Your activities are not a business when they are:

- a one-off transaction (unless it is the first step in carrying on a business or intended to be repeated)
- done as an employee
- a hobby or recreation from which you don't seek to profit
- a simple investment, such as passively holding shares on which you receive dividends or a rental property you let through an agent.

Even if you're not in business, you may still need to declare certain payments you receive as assessable income in your income tax return. For example:

- rent or income from providing services
- the market value of goods or services you receive in a barter deal
- dividends from shares you own
- payments from a one-off transaction.

If you enter into a one-off transaction, such as one that involves the sale of [small-scale land subdivisions](#), you need to consider whether your profit from the transaction is assessable as ordinary income or a capital gain. For more information, see Taxation Ruling [TR 92/3](#) *Income tax: whether profits on isolated transactions are income*.

## When a company is not in business

Most companies are in business if they intend to and are likely to make a profit.

However, some companies are not in business. For example, a company is not in business if it:

- holds assets solely for its shareholders' private use, and its running costs are funded solely by its shareholders
- provides social and recreational activities for members without seeking to make a profit.

## Steps to work out if you are in business

### Step 1: Identify all relevant, related activities

Examples of relevant, related activities include:

- keeping records
- obtaining and maintaining licences and permits
- if you rent out premises or goods, everything you do to rent out those premises or goods
- if your activity is providing goods or services, everything you do in providing them.

### Step 2: Are the activities a business?

The more of the following questions you answer yes to, the more likely it is your activities are a business:

- Do you intend to be in business?
- Do you intend to and have a prospect of making a profit from your activities?
- Is the size or scale of your activity enough to make a profit?
- Are the activities repeated and continuous?
- Are your activities planned, organised and carried out in a business-like manner? For example, do you:
  - keep business records and have a separate business bank account?
  - advertise and sell your goods and services to the public, rather than just to family or friends?
  - operate from business premises?
  - maintain required licences or qualifications?
  - have a formal business plan or budget?
  - have a business name or an ABN?

If you're still not sure whether your activities constitute a business, you may need to consider the indicators that a business is being carried on in more detail, including relevant court decisions. These are discussed in the following tax rulings:

- For an individual, partnership or trust, see Taxation Ruling [TR 97/11](#): *Income tax: am I carrying on a business of primary production?* While this ruling is about primary production, the principles it explains can be applied more broadly.
- For a company, see Taxation Ruling [TR 2019/1](#) *Income tax: when does a company carry on a business?*

### **Example: assessing if you are in business**

Angela is employed as a mechanic at a local garage. She helps her employer upload a few how-to videos on a video sharing platform to create awareness and drive business to the garage.

Angela discovers she can monetise popular content and creates her own video sharing channel with the intention of making a

profit. She uploads videos of how to fix machinery.

When Angela's channel starts to grow, she:

- sets up a production schedule that sets out the type of content she will produce on a weekly basis
- buys lighting and sound equipment to improve her production quality
- asks a friend to help her advertise her channel on social media
- paints her channel logo on the side of her truck to advertise
- joins the video sharing platform's Partner Program and starts earning money
- records all expenses from her content creation activity.

Angela wants to know if her 'side hustle' activities are a business.

### **Step 1: Identify all relevant, related activities**

Angela identifies all the activities involved in her video sharing activity, including the continuous and repeated production schedule and filming, purchasing of equipment to generate more revenue, advertising, and monetisation partnership.

She does not include the work she does as an employee at the garage.

### **Step 2: Are her video sharing activities a business?**

Angela looks at all her activities together. She determines that she is in business because she:

- intends to run a business
- intends to make a profit to supplement her salary and wage income
- sets up a regular schedule for these activities
- operates in a businesslike way, has a plan and system for making a profit, keeps records, and promotes and advertises her activity.

## **When does your business start?**

It is important to know when your business starts. This will affect the registrations you must have and when you need to apply for them.

It may also affect:

- how tax laws apply to your activity and the assets you use in that activity
- the tax concessions or deductions available to you.

Your business starts when you have more than an intention to be in business. You must have actually:

- made the decision to start the business
- acquired the minimum level of assets to start running your business
- started your business activities.

## Have your activities changed?

If your activity changes in a major way you must reassess whether you are in business. For example, this could be if:

- you are now making a profit or have an intention to do so
- your activity was originally a hobby, but you make arrangements to make money from it, such as monetising online content you created
- you are in business but you [change, pause or stop your activities](#).

QC 31733

## Before you start a business

Tax, super and registration obligations you need to consider before you start a business.

**Last updated** 21 November 2022

## Are you in business?

Before you register for an Australian business number (ABN), it is important you determine if you [are in business](#) and when your

business starts.




Knowing if you're in business helps you know what records you need to keep, and what obligations you have.

## What to consider before starting a business

Understanding the road ahead and doing your research and planning is critical for your success.

The [Guide to starting a business](#)  on business.gov.au helps you navigate these steps.

It's also important to:

- know that you are [ready to start a business](#) 
- talk to people with similar businesses, or a trusted business adviser
- speak with a [registered tax professional](#) 
- contact your local industry association
- look at the ATO's website and [small business benchmarks](#) to see how businesses perform in your industry
- research financial information for your business – how much will it cost to start your business, to be in business, and can you access [grants or loans](#) ?
- decide which [business structure](#) is right for you as this determines the tax you will need to pay
- know what [records](#) you may need to keep and [income and deductions](#) you need to declare or claim, and from when this needs to happen
- know what [registrations](#) you need to have in place, and from when.


## Getting up and running


- [Registrations and insurance](#)
- [Business reporting, income returns and deductions](#)
- [Engaging with us online](#)



- [Hiring workers](#)


## Registrations and insurance


Once you have started a business, you need to meet specific business obligations. This includes any required [registrations](#) or [business insurance](#) .

You may need an [Australian business number](#)  (ABN). This unique 11-digit number identifies your business or organisation to the government and community. An ABN has its own set of obligations.

You may also need to:

- register for [goods and services tax](#) (GST), which is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia
- register for [pay as you go \(PAYG\) withholding](#) and meet your super obligations for any employees you hire
- register for [fringe benefits tax](#) (FBT) when you are providing fringe benefits to your employees.

You can apply for an ABN and other key business registrations through the [Business Registration Service](#). 

You may also need business insurance and [licences](#)  to protect your business. It's important to understand the licences and permits you need to do certain activities and help protect your business and employees.

## Business reporting, income returns and deductions

Income you receive from your business activities is [assessable income](#) and must be declared on your [income tax return](#).

A tax return needs to be lodged for each sole trader, partnership, trust and company you are running.

Sole traders need to report all income, including business income, in their individual tax return.

You can claim a [business tax deduction](#) for most expenses you incur in carrying on your business, as long as they are directly related to earning your assessable income. If you are registered for GST, you will also need to lodge a [business activity statement \(BAS\)](#).

## Engaging with us online

Our [online services](#) are quick, easy, tailored and secure. They let you manage most of your reporting and transactions with us at a time that's convenient for you.

You can use:

- [Online services for individuals and sole traders](#)
- [Online services for business](#) for approved self-managed super fund (SMSF) auditors, businesses, and other organisations.

## Hiring workers

If you're thinking of [hiring a worker](#), it's important to understand your tax and super obligations as an employer.

Before you hire your first worker you need to:

- set up [single touch payroll](#) (STP) to meet your employer obligations
- register for [PAYG withholding](#)
- set up your business to [pay superannuation contributions](#) to your worker's nominated fund
- register for [FBT](#) if you provide benefits in addition to wages
- see if you need to register for state and territory payroll tax
- use our [online services](#) to manage your registrations and obligations.

## Setting yourself up for success

- [Cash flow management](#)
- [Record keeping](#)
- [Business banking](#)
- [Technology](#)

Businesses that are operating well and meet their obligations usually have the same things in common.

They:

- have good [cash flow management](#) practices

- use [technology](#) to help run their business
- keep [good records](#) and have good accounting systems
- seek the advice of a registered tax professional or business adviser.

With accurate record keeping and digital tools, it's easier to track, monitor and make improvements to your cash flow. It also makes it easier to report to the ATO and make payments.

## Cash flow management



[Managing your business cash flow](#) and knowing the amount of money that goes in and out of your business – that is, income and expenses – allows you to make better business decisions.

It also makes it easier for your business to pay bills and other costs and meet your tax, GST, superannuation and employer obligations.

In your first year of business, you can meet your obligations by:

- making [tax pre-payments](#) into your tax account
- putting money aside for your expected tax bill
- voluntarily entering into [PAYG instalments](#).

For help with understanding how to manage your business cash flow:

- ask your trusted business adviser or registered tax agent about the [Cash Flow Coaching Kit](#).
- visit [business.gov.au](http://business.gov.au) and learn about how to [create a budget](#)  and how to [improve your business's financial position](#) .

## Record keeping

As a business, for tax purposes you must keep detailed [records](#) for all transactions related to your tax, GST and superannuation affairs as you start, run, sell, change or close your business.


Keeping accurate and complete records for all your business transactions will also help you manage your business and its cash flow.

## Business banking

Understanding your business banking obligations is important. Different business structures have their own record keeping

requirements.

- If you're operating as a partnership, company or trust, you must have a separate bank account for tax purposes.
- If you're operating as a sole trader, you do not have to open a separate business bank account, but it's a great idea to do so and will save you time when working out what transactions are personal and business.

Further information about [organising your finances](#)  can be found on [business.gov.au](https://business.gov.au).

## Technology

The right digital tools will help you perform daily business activities and meet your tax, GST and super obligations. They also make it easy for you to engage with us when it is convenient to you.




Small businesses can use:

- [Online services for individuals and sole traders](#)
- [Online services for business](#)
- the [ATO app](#) – to access and manage your tax and super on the go
- [eInvoicing](#) – a fast, easy and secure way to automatically send and receive invoices through your software
- [digital record keeping software systems](#) – to track your income and expenses from the start of your business
- electronic payment systems – if you are making sales in your business, you will need to select a payment system. Your customers then pay for your goods or services electronically, making it easier for you to reconcile your expenses, including
  - tap-and-go (contactless) payments
  - credit and debit cards
  - EFTPOS
  - online payments
  - smart phone and tablet card processing.

Any payment software you use must not have any [payment suppression tools](#).

## Support for your business

The ATO is here to help you on your business journey. We offer a range of learning resources, tools and services to support your business.

- [Tax time](#) support for your business.
- [Calculators and tools](#) to help you run your business.
- A [small business newsroom](#) - subscribe and get the latest tax and super news delivered to your inbox.
- [ATO app](#) - to access and manage your tax and super on the go.
- [Join the discussion online](#) - follow us on social media for tips and updates or check out our [ATO Community forum](#)  to ask questions about tax and super.
- [National Relay Service](#)  - if you have difficulty hearing or speaking to people on the phone, you can contact us through the National Relay Service.
- [National tax clinic program](#) - if you're experiencing difficulties and can't access or afford professional advice or representation with your tax affairs, the tax clinic program may be able to help.
- [Registered tax or BAS agents](#)  - contact a registered agent to help manage your tax and super.
- [Contact us](#) - if you need more help.

## Aboriginal and Torres Strait Islander peoples and other languages

In addition to our range of tools and services, we have information:

- on [Tax for businesses](#) for Aboriginal and Torres Strait Islander peoples
- in [languages other than English](#) (including Arabic, Chinese, Hindi, Korean, Punjabi and Vietnamese) to help people from culturally and linguistically diverse backgrounds understand tax and super in Australia.

If you would like to speak to us, you can also:

- phone our Indigenous Helpline on **13 10 30**
- phone the Translating and Interpreting Service (TIS) on **13 14 50** if you would like to talk to us in your language.

QC 50440

## Business structures – key tax obligations

See your key tax obligations for a sole trader, partnership, company or trust business structure.

**Last updated** 5 July 2023


### Types of business structures

A business structure:

- defines who owns and operates a business
- affects your tax and registration requirements
- affects your legal liabilities and obligations.

There are 4 commonly used business structures in Australia:

- sole trader
- partnership
- company
- trust.

Information about other business structures is available on [business.gov.au](https://business.gov.au) .

If you're unsure which business structure to choose, talk to your registered tax agent, or trusted business or legal adviser.

If you [change your business structure](#), there may be costs, tax implications and other obligations you need to meet.

# Sole trader

A sole trader is an individual running a business. It is the simplest and cheapest way to run a business.

If you run your business as a sole trader, you are:

- the sole owner and controller of it
- legally responsible for all aspects of the business, including debts and losses you incur in running it.

You can employ workers in your business, but you cannot employ yourself.

As a sole trader, you are responsible for paying your worker's [superannuation](#), known as super guarantee. You don't have to pay super guarantee for yourself but you can choose to make personal [super contributions](#) to save for your retirement.

## Key tax obligations

As a sole trader, you:

- use your individual tax file number (TFN) when lodging your tax return
- report all your income in your individual tax return, using the section for business items to show your business income and expenses (there is no separate business tax return for sole traders)
- are [entitled to an Australian business number \(ABN\)](#) [↗](#) and use that ABN for all business activities
- must [register](#) for goods and services tax ([GST](#)) if
  - your annual [GST turnover](#) is \$75,000 or more
  - you provide taxi, limousine or ride-sourcing services (regardless of your GST turnover)
  - you want to claim fuel tax credits
- may be required to lodge [business activity statements](#), for example if you are registered for GST, have employer obligations such as PAYG withholding, or have PAYG instalments

- pay tax on all your income, including income from your business, based on your individual tax rate
- may voluntarily use, or be required to make, [PAYG instalments](#) to prepay your income tax
- can [claim a deduction for any personal super contributions](#) you make after notifying your fund
- can [hire workers](#), and need to meet all employer and super obligations for them.

As a sole trader, you can claim a deduction for salary, wages and allowances you pay your workers on your tax return.

You cannot claim a deduction for money or assets you take from the business for personal use.

## Partnership

A partnership is a group or association of people who run a business together and share the income or losses from the business between themselves.

A written partnership agreement is not required for a partnership to exist but can help:

- prevent misunderstandings and disputes about what each partner brings to the partnership
- set out how business income and losses are to be shared between the partners (equally between partners or not)
- set out how the business is to be managed.

If there is no written agreement, income and losses are equally distributed between partners.


The partners in a partnership are not employees of the partnership, but they are able to employ other workers.

Partners are responsible for their own superannuation. However, the partnership is required to pay super for its employees.

## Key tax obligations

A partnership:



- has its own TFN
- must lodge an annual partnership return showing all business income and deductions and how its income or losses are distributed to the partners
- must apply for an [ABN](#)  and use it for all business activities
- must [register for GST](#) if it
  - has annual [GST turnover](#) of \$75,000 (\$150,000 for not-for-profit organisations) or more
  - provides taxi, limousine or ride-sourcing services (regardless of GST turnover)
  - wants to claim fuel tax credits
- may be required to lodge [business activity statements](#), for example if it is registered for GST, has employer obligations such as pay as you go withholding, or have pay as you go instalments
- does not pay tax
  - each partner reports their share of the net partnership income or loss in their own tax return and is personally liable for any tax that may be due on that income.

A partnership and its partners cannot claim a deduction for money they withdraw from the business. Amounts you take from a partnership:

- are not wages for tax purposes
- may affect what your share of the partnership income is that you have to pay tax on.

You will need to be aware of the steps to take if you change the makeup of your [partnership](#).

## Company

A company is a separate legal entity with its own tax and superannuation obligations, run by its directors and owned by its shareholders.

A company's income and assets belong to it, not its shareholders. There may be tax consequences if you are [using your company's money and assets for private purposes](#).

A company can distribute profits to its shareholders through dividends and may be able to attach [franking credits](#) to those dividends. This allows its shareholders to receive a credit for the tax already paid by the company on its profits.

While a company provides some asset protection, its directors can be liable for their actions and, in some cases, certain tax and superannuation debts of the company under the [director penalties](#) rules.

All company directors are legally required to verify their identity and apply for a [director identification number](#) [\[?\]](#) (director ID) prior to being appointed as a director of a company.

Companies are regulated by the Australian Securities and Investments Commission (ASIC).

Companies have higher set-up and administration costs than other types of business structures and have additional reporting requirements.

## Key tax obligations

A company:

- is responsible for its own tax and superannuation obligations
- must apply for its own TFN
- is entitled to an [ABN](#) [\[?\]](#) if it is registered under the *Corporations Act 2001*
  - if the company is not registered under the *Corporations Act 2001* it may still register for an ABN if it is running a business in Australia
- must [register for GST](#) if it
  - has annual [GST turnover](#) of \$75,000 (\$150,000 for not-for-profit organisations) or more
  - provides taxi, limousine or ride-sourcing services (regardless of GST turnover)

- wants to claim fuel tax credits
- may be required to lodge [business activity statements](#), for example if it is registered for GST, has employer obligations such as PAYG withholding, or has PAYG instalments
- owns the money that the business earns (you may have to pay tax on any money taken out for personal use)
- must lodge an annual company tax return
- usually pays its income tax by instalments through the pay as you go instalments system
- pays tax at its applicable [company tax rate](#)
- must pay super guarantee for any eligible workers (this includes any company directors)
- must [issue distribution statements](#) to any shareholders it pays a dividend to.

There is information you need to know if your company will be [deregistered](#).

## Trust


A [trust](#) is an obligation imposed on a person or other entity to hold and manage property for the benefit of beneficiaries. If a trust is set up to run a business, it will normally have a trust deed that, among other things, sets out the powers of the trustees and the interests of the beneficiaries in the trust.

The trustee manages a trust's tax affairs. The trustee can be an individual or a company. The net income of the trust is usually distributed to beneficiaries.

## Key tax obligations

A trust:

- must have its own TFN
- must lodge an annual trust tax return, which includes a statement of how its income was distributed

- must apply for an [ABN](#)  and use it for all business activities
- must [register for GST](#) if it
  - has annual [GST turnover](#) of \$75,000 (\$150,000 for not-for-profit organisations) or more
  - provides taxi, limousine or ride-sourcing services (regardless of GST turnover)
  - want to claim fuel tax credits
- may be required to lodge [business activity statements](#), for example if it is registered for GST, has employer obligations such as pay as you go withholding, or has pay as you go instalments
- must pay super for eligible employees (this may include the trustee if employed by the trust).

## Who pays income tax?

The trustee must lodge an annual trust tax return. Who pays tax on the trust's income is determined by how the trust income is distributed and who it is distributed to.

Generally, the beneficiaries will be responsible for paying tax on the trust net income distributed to them.

The trustee is liable to pay tax on any undistributed income and may be liable to pay tax on behalf of certain beneficiaries, like non-residents or minors.

There may be other circumstances where the trustee is responsible for paying tax.

If the trust makes a loss, it cannot be distributed to the beneficiaries and they cannot claim it as a loss against their income.

However, the trust may be able to carry forward losses and offset them against future income it earns.

# Franchising and tax

Tax treatments for franchise-specific payments and transactions between franchisors and franchisees.

**Last updated** 8 November 2022

## Starting a franchise

With [franchising](#) , the:

- franchisor grants the right to the franchisee to
  - use a business brand name or trademark
  - produce or distribute their product or service
- franchisor and each franchisee have their own [Australian business number](#) (ABN).

The franchisee will incur franchise-specific payments to their franchisor in addition to other general business expenses. Some of these payments will be deductible and others are capital in nature and not deductible.

## Common franchise fees

### Franchise establishment fees

The franchise establishment fee or transfer fee forms part of the [cost base](#) for your franchise licence, which is a capital asset. Because these fees are a capital investment in your business, they are not tax deductible.

### Franchise renewal fees

If your franchise renewal fees form part of your cost base, they will not be deductible. Any franchise renewal fees **not** included in your cost base may be [deductible as a business expense](#) and subject to the prepayment rules.

An example of where you would not include a franchise renewal fee in your cost base is where it is for a relatively short period of time (for

example, 5 years), and you would be left with no franchise if you did not pay the renewal fee.

## **Royalties, interest and other payments to the franchisor**

An agreement to buy a franchise often includes ongoing royalty payments, interest payments or levies to the franchisor.

These payments typically cover head office expenses, such as administration, advertising and technical support.

Royalty payments, interest payments and levies to the franchisor can be claimed as an expense on your annual tax return. This is because they are an ongoing expense in running your business.

## **Royalty and interest payments to non-residents**

- Generally, when you make royalty and interest payments to non-resident franchisors, you are required to withhold a flat rate of:
- 30% from the gross amount of a royalty payment
- 10% from the gross amount of an interest payment.

However, where there is a [tax treaty](#) agreement with the non-resident's country of residence, you apply the withholding rate in the tax treaty.

You pay and report the amounts you withhold from [interest and royalty payments](#) in your business activity statement (BAS) for the relevant reporting period.

You report the total annual amount of royalty and interest payments, and amounts withheld, in the [PAYG withholding from interest, dividend and royalty payments paid to non-residents – annual report](#).

If you are required to withhold tax from a royalty or interest payment to a non-resident, you can only claim a deduction for it if:

- you have withheld tax from the payment and paid the withheld amount to us, or
- the withholding tax is paid.

## **Training fees**

You can claim a tax deduction for fees you pay to the franchisor for ongoing training for employees in their roles. For more information refer to [Income and deductions for business](#).

## GST

If the franchisor is registered for goods and services tax ([GST](#)), payments you make to the franchisor may include a GST component.

If you are registered for GST you may be able to [claim a GST credit](#) in your BAS for the GST amount included in:

- the initial franchise fee
- franchise renewal fees
- franchise service fees or royalties
- advertising fees
- transfer fees
- training fees.

## Transferring or terminating a franchise

If you transfer a franchise to another party or end your franchise agreement, there may be capital gains tax (CGT) and GST consequences.

When you transfer or end your franchise agreement you will need to [calculate your CGT](#) and include that in your annual tax return.


The sale of an existing franchise by a franchisee may qualify as a [GST-free sale of a going concern](#).

QC 27152

## Using your business money and assets for private purposes

You may need to report money and assets taken from your company or trust as income in your tax return.

**Last updated** 13 June 2025

For a summary of this content in poster format, see [Using business money and assets \(PDF, 274KB\)](#) .

## Who needs to know?

This information will help you understand how money taken out of your business, or using business assets for private purposes, must be recorded and reported for tax purposes.

It applies if you are an individual who is:

- a director, shareholder or employee of a company that operates a small business (your business)
- a trustee, beneficiary or employee of a trust that operates a small business (your business)
- a director of a corporate trustee for a trust that operates a small business (your business)
- or has been an associate of a shareholder (individual or entity) of a private company (an associate can include a relative, partner, spouse, or another entity controlled by a shareholder).

## How do you use money or assets from a company or trust

The most common ways you may take or use money or assets from a company or trust are as:

- salary and wages – see [employment income](#)
- [fringe benefits](#), such as an employee using the business's car
- directors' fees
- dividends paid by the company to you as a shareholder (a distribution of the company's profits) – see [paying dividends and other distributions](#)
- trust distributions by the trust to you as a beneficiary – see [trust income](#)
- loans from the trust or company – see [loans by private companies](#)



- [allowances or reimbursements](#) of expenses you receive from the trust or company.

There are reporting and record-keeping requirements for each of these types of transactions.

## **How to record and report the use of your business money or assets**

You must maintain appropriate [records](#) that explain transactions where you have:

- taken money or assets from your business
- used the business's assets for private purposes.

The ATO view on minimum record-keeping standards is provided in [Taxation Ruling TR 96/7](#).

There may also be reporting requirements for these transactions.

## **Salary, wages or directors' fees**

You can be an employee, director and shareholder of the company that operates your business. You can also be an employee, trustee and a beneficiary of the trust that operates your business.

You must include any salary, wages or directors' fees you receive from your business as assessable income in your individual tax return.

The company or trust that operates your business can generally claim a deduction for any salaries, wages or directors' fees paid if it complies with the pay as you go (PAYG) withholding and reporting obligations for each payment.

Your business must:

- register for [PAYG withholding](#) and withhold an amount from salary, wages and directors' fees
- report PAYG withholding information in its [business activity statements \(BAS\)](#)
- report the payment information to the ATO using [Single Touch Payroll \(STP\)](#), unless covered by a deferral or exemption

- pay the amount withheld to the ATO and make compulsory employee [superannuation contributions](#) to a complying super fund by the relevant cut-off dates.

### **Example 1: taking money as salary or wages**

Daphne is the sole director of a private company that sells speciality gift hampers to customers. She and her partner Jo are equal shareholders in the company. Before this income year, Daphne ran the business as a sole trader.

As a sole trader, Daphne paid \$1,500 a month out of her business account and into her personal account for personal expenses. Regardless of the amounts that were transferred to her personal account, all the income Daphne earned as a sole trader is included as business income in the business and professional items schedule on her individual tax return.

Daphne decided to change business structures and set up a private company to run her business. Daphne is an employee, shareholder and director of the private company.

Daphne's tax agent explains to her that there are different tax consequences now that the business is run through a company, which is a separate legal entity.

As an employee of the company, Daphne is paid \$1,500 a month as a salary. Daphne now reports the \$1,500 a month she receives from her employment as salary in her individual tax return.

The tax agent helps Daphne set up PAYG withholding and STP reporting, as well as meet her company's superannuation guarantee obligations.

The company lodges a separate annual tax return. It reports the business income and claims a deduction for the salary paid to Daphne in the company tax return.

## **Fringe benefits and allowances**

[Fringe benefits tax \(FBT\)](#) may apply when an employer, (for example a company or trust), provides certain benefits to its employees, directors, employees' families or other associates. These benefits can

include a payment or reimbursement of private expenses or being allowed to use the business assets for private purposes, such as the business's car.

Your company or trust:

- may be entitled to claim a deduction for the cost of providing fringe benefits
- can generally claim GST credits for items provided as fringe benefits
- must lodge an FBT return and pay any FBT that applies to the fringe benefits provided to the employees or their associates
- must keep [all records](#) relating to the fringe benefits it provides, including how the taxable value of benefits was calculated.

There are various exemptions from FBT that may apply, for example, the small business car parking exemption.

There are also rules that address when [FBT and Division 7A](#) could both apply to a payment, loan or debt forgiven.

An FBT liability for your business may be reduced if you (as an employee) make a contribution towards the cost of the fringe benefit.

You don't need to report the value of fringe benefits that you (or your associate) receive in your tax return, unless they are included as reportable fringe benefits on your payment summary or income statement.

### **Example 2: FBT on the provision of private company assets to employees who are shareholders**

Sameera is the sole director and shareholder of a small tourism company that runs tours and owns 3 coastal holiday houses.

Sameera is also one of 3 employees of the private company.

Each employee of the company is given the opportunity to stay in one of the holiday houses for up to 4 weeks each year during the off-peak season.

This year, Sameera and her family take up this offer and stay at their favourite holiday house for 2 weeks at no cost.

This is an employee's private use of one of the company's business assets. The company is providing Sameera, in her capacity as an employee, with a fringe benefit.

The company reports the fringe benefit in its FBT return and pays FBT on the benefit.

## Distribution of income and profits

### Dividends

If your business is run through a company, the company can distribute its profits to its shareholders, which can include you.

This distribution of profits is known as a [dividend](#).

If the company has franking credits, it may be allowed to frank the dividend by allocating a franking credit to the distribution. A franking credit represents income tax paid by the company on its profit and can be used by the shareholder to offset their income tax liability.

A company must issue a distribution statement at the end of each income year to each shareholder who receives a dividend. It must show the amount of the franking credit on the dividends paid and the extent to which they were franked. The company may also need to lodge a franking account tax return in certain circumstances.

Any dividends that you receive and franking credits on them must be reported in your tax return as assessable income.

The company cannot claim a deduction for dividends paid as these are not a business expense, but rather a distribution of company profit.

### Trust distributions

If your business is operated through a [trust](#), depending on the terms of the trust deed, the beneficiaries of the trust may be presently entitled to a share of the trust income for the income year.

By the end of an income year, the trustee should advise and document in the trustee resolution:

- details of the beneficiaries
- their share of the net income of the trust.

If the trustee resolution is not made according to the terms of the trust deed, it may be ineffective and, instead, other beneficiaries (called default beneficiaries) or the trustee may be assessed on the relevant share of the trust's net (taxable) income. Where a trustee is assessed, it may be at the highest marginal tax rate.

Details of the trust distribution should be included in the statement of distribution which is part of the trust tax return lodged for each income year.

The trust can't claim a deduction for distributions paid as it is not a business expense, but rather a distribution of trust income.

If the beneficiary of a trust is a company, and the trust doesn't pay the amount the company is presently entitled to, [Division 7A](#) of the *Income Tax Assessment Act 1936* may apply.

## **Closely held trusts**

If you have a trust within your family group, in some circumstances you may need to include a [trustee beneficiary statement](#) as part of the trust return lodged.

For further guidance, see [closely held trusts](#).

# **Lending money or assets**

## **Companies lend money or assets to shareholders and their associates**

When a private company lends money or assets to its shareholders or their associates, the shareholder or associate may be taken to have received a [Division 7A deemed dividend](#) if certain conditions are not met.

If this happens, the shareholder or associate will need to report an unfranked dividend in their individual tax return. The company also needs to report the unfranked dividend paid and the loan balance in its company tax return.

To avoid a Division 7A deemed dividend, before the company tax return is due or lodged (whichever comes first), loans must either:

- be repaid in full, or
- put on complying terms.

To put a loan on complying terms, the loan must be made subject to a written agreement that:

- states the names of the parties to the agreement, being the private company and the shareholder or shareholder's associate (the loan recipient)
- is signed and dated by the private company and loan recipient
- has an interest rate for each year of the loan that at least equals the benchmark interest rate
- doesn't exceed the maximum term of 7 years, or 25 years in certain circumstances when the loan is secured by a registered mortgage over real property.

The company must include any interest earned from the loan in its company tax return and complete the Division 7A company tax return labels.

You (the shareholder or shareholder's associate):

- must make the minimum yearly repayment for the loan each income year (use the [Division 7A calculator](#) to work this out)
- can't borrow money from the company to make the minimum yearly repayment
- can make repayments on the loan by offsetting against your entitlement to a dividend declared by the company - this dividend must be reported in your individual tax return as assessable income.

### **Example 3: loan received from the company and put on complying terms**

Amir is the sole director of a private company that provides administration services to other businesses. He and his partner Aiesha are equal shareholders in the company.

Amir's and Aiesha's daughter is about to start high school and they have to pay \$2,000 in school fees. Amir decides they should use money from the company to pay the fees.

Amir knows that he can't pay for a private expense using the company's money without properly accounting for it. As the director, he decides that the company will lend them the \$2,000.

He draws up a written loan agreement for the loan to be repaid over 2 years, with an interest rate equal to the benchmark interest rate. The loan agreement identifies the company, Amir and Aiesha as the parties, and the repayment terms. It is signed by all parties. The loan agreement is made on complying terms under Division 7A.

The company lends Amir and Aiesha the money, which they pay back to the company with interest each year according to the agreement over the next 2 years. When Amir prepares the company tax return, he declares:

- the interest as income of the company
- the loan balance, as at the end of the income year.

## **Trustees lend money or assets to beneficiaries and their associates**

If you borrow money from a trust, you will need to keep a record of it. If the loan is on commercial terms, you will need to repay the principal and interest as per the loan agreement. The trust will need to report the interest as assessable income in its tax return.

There may be a situation where someone receives an amount of trust income instead of the beneficiary who is presently entitled to that amount in an arrangement to reduce tax. This can happen where the trustee, instead of paying the trust income to the presently entitled beneficiary, lends that money on interest-free terms to another person.

This is called a [reimbursement agreement](#) and the anti-avoidance rule in section 100A of the *Income Tax Assessment Act 1936* may apply.

## **Repayments of loans made to companies and trusts**

If you have lent money to your company or trust, it can't claim a deduction for any repayments of principal it makes to you. However, it may be able to claim a deduction for interest it pays to you on the loan if it incurred the interest expense for an income-producing purpose. The company or trust should keep records of any loan agreements and documents explaining these payments being made to you.

You don't have to declare the principal repayments, but any interest you receive is assessable income to you and must be included in your individual tax return.

## **When you take your business's money or assets in another way**

If you take money out of your company or trust or use its assets for private purposes in a way not described, you or your company or trust may have unintended tax consequences. This may include triggering Division 7A.

To ensure your business transactions are transparent:

- You should consider setting up a separate bank account for your business to pay business expenses from, and avoid using it to pay for your private expenses.
- If you take money out of the business or use its assets, make sure you keep proper records that explain all relevant transactions, including all income, payments and loans to you and your associates from the business.
- If your private company lends money to its shareholders or their associates, make sure the loans comply with Division 7A.
- Ensure all transactions are correctly reported for tax purposes.

If you make an honest mistake when trying to comply with these obligations, you should tell us or your registered tax agent as soon as possible.

### **Example 4: repaying a loan before the company's lodgment day**

Jian is the sole director and shareholder of a private company, that he uses to run his plumbing business. Jian decides to have his home repainted, which he pays for using his company's bank account.

Jian meets regularly with his bookkeeper, who notices the unusual transaction.



The bookkeeper advises Jian that the transaction will be treated as a Division 7A deemed dividend if he doesn't pay the money back or make it a complying loan before the company tax return is due or lodged for the income year (the company lodgment day). Jian has enough money in his personal bank account, so he decides to repay the company the full amount.

As he repays the full amount before the company's lodgment day, there are no Division 7A consequences for Jian.

He also takes his bookkeeper's advice and makes sure he stops paying his private expenses from the company bank account.

QC 67807

## ATO Small Business workshops by location

Free workshops for people who are starting or thinking about starting a business or who want to update their knowledge.

**Last updated** 27 April 2020

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### Australian Capital Territory

Sorry, we currently have no face-to-face workshops scheduled in the Australian Capital Territory.

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### New South Wales

Sorry, we currently have no face-to-face workshops scheduled in New South Wales.

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## **Northern Territory**

Sorry, we currently have no face-to-face workshops scheduled in the Northern Territory.

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## **Queensland**

Sorry, we currently have no face-to-face workshops scheduled in Queensland.

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## **South Australia**

Sorry, we currently have no face-to-face workshops scheduled in South Australia.

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## **Tasmania**

Sorry, we currently have no face-to-face workshops scheduled in Tasmania.

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## **Victoria**

Sorry, we currently have no face-to-face workshops scheduled in Victoria.

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## **Western Australia**

Sorry, we currently have no face-to-face workshops scheduled in Western Australia.

QC 61186

## Small Business Assist is closed


Further information on Small Business Assist (SBA) site unavailability.

**Last updated** 2 June 2022

Small Business Assist (SBA) has been decommissioned as the service had reached the end of its functional life.

The SBA call-back service and web chat function are also no longer available.

If you have general questions about tax and super you can use:




- Ask Alex - our virtual assistant available 24/7 and located at the bottom of this page and all small business pages on [ato.gov.au](https://ato.gov.au). Ask Alex can assist you with general tax enquiries and link you directly to the information and resources you need and offers you the most popular small business topics for fast service.
- [ATO Community](#)  - our online peer to peer platform where you can post questions about tax and super issues. Other registered members who are part of our community of experts will join in the conversation by providing a response.
- [ato.gov.au](https://ato.gov.au) - we have a wide range of information and resources available on our website including tools and resources specifically to help small businesses with their tax and super obligations.
- Register to attend one of our Key webinar topics for small business.

If you need help with your personal tax or super obligations:

- You can call our Business Information line on 13 28 66 between 8:00 am and 6:00 pm AEST Monday to Friday.

- Use our online services, either Online services for Individuals if you are a sole trader, or Online services for business for all business types. Our online services provide you a secure and contemporary service allowing you to interact with us online at a time that is convenient to you.
- You can also contact your registered tax agent for more information tailored to your circumstances.

To stay up to date on the latest in tax and super:

- [Subscribe](#) to our Small Business newsroom
- Follow us on [Facebook](#) , [Twitter](#)  or [LinkedIn](#) 

QC 69471

## Good business habits

Using digital tools, getting advice and keeping accurate records will help your business to stay on track.

**Last updated** 8 August 2025

## Benefits of good business habits

Tax can be complicated and it's not the only thing to consider when running a business.

Our [small business random enquiry program findings](#) show that most small businesses aim to report accurately, but sometimes make mistakes.

Establishing good habits not only gives you the best chance of success but can also give you peace of mind and free up your time.

When we see businesses operating well, the common theme is getting the basics right.

1. [Using digital tools](#) and business software can help you streamline processes, spend less time on administration, and concentrate on areas that will improve your cash flow position.

2. [Keeping good records](#) ensures you have the right information to meet your obligations, avoid mistakes, and better assess the financial health of your business.
3. [Getting advice](#) from trusted sources, like your tax professional or the ATO website.
4. Setting aside GST, pay as you go (PAYG) withholding and super from your cash flow, so you have the funds available when it's time to [lodge and pay](#).

Practicing good business habits will help you:

- manage your cash flow and meet your tax and super obligations
- accurately report business income in your tax return
- know which expenses you're entitled to claim, and separate your business and private expenses correctly
- lodge and pay your business activity statements (BAS) correctly and on time
- know what you need to record and report for tax incentives your business receives
- understand the tax implications of your business decisions such as taking money out of your business for your own use
- manage your tax and super obligations and prove your claims.

## Using digital tools

Using digital tools and business software can increase the efficiency of your business.

Digital tools can help you:

- track and streamline processes
- manage customer data and employee records
- reduce overhead costs
- support business growth
- easily assess your financial position.

While some digital tools have an upfront or ongoing cost, you can generally claim a tax deduction for the [cost of digital products](#) used in running your business. You can only claim a deduction for the business portion of your expenses.

You can claim most operating expenses as a tax deduction in the year you incur them. You may also be able to claim an immediate deduction for depreciating assets under the [simplified depreciation rules](#).

## Online services

You can manage most of your business reporting and transactions using our online services.

Sole traders can use [ATO online services](#) to make payment arrangements and manage activity statements, PAYG instalments and accounts.


Small business owners can use [Online services for business](#) to prepare and lodge activity statements, annual reports, manage accounts and update registration details.

The [ATO app](#) lets individuals or sole traders to easily view their personal tax and super information in one place. It has a range of features and tools to help you keep on top of your tax and super.

## Good record keeping

Keeping accurate and complete records will help you meet your tax, super and employer obligations.

See our free and helpful resources:

- [Essentials to strengthen your small business – Record keeping](#)  – a self-paced course on record keeping
- [myDeductions](#) – sole traders can use myDeductions, the record-keeping tool in the ATO app that makes it easier to keep records in one place
- [Record keeping for business](#) – how to stay on top of your tax, super and employer obligations
- [Record keeping evaluation tool](#) – a simple way to see how well you're handling your business records

- [Selling or closing your business – records](#) – check what you need to record when you sell or close your business.

## Getting advice

Getting the right help makes it easier to navigate change and uncertainty in your business lifecycle, such as:

- [Supporting your small business](#) – learning resources, tools and services
- [Tax support for businesses and not for profit](#) – how to get help if you can't pay on time.

There are also organisations that provide information and services:

- [Australian Small Business and Family Enterprise Ombudsman](#)  – helps small businesses and family enterprises grow and thrive, and provides the free My Business Health support tool
- [Council of Small Business Organisations Australia](#)  – represents the interests of small business
- [Registered tax or BAS agents](#)  – check if your agent is registered or find a registered agent to help you with your tax and super affairs
- [Support for businesses in Australia](#)  – information, grants, services and support from across government to help your business succeed
- State Small Business Commissioners help small businesses deal with disputes in
  - [New South Wales](#) 
  - [Queensland](#) 
  - [South Australia](#) 
  - [Victoria](#) 
  - [Western Australia](#) 

## Lodging and paying

It's important that you lodge and pay your tax in full and on time. Tax returns, activity statements, other documents and information must be


lodged or returned by their due dates. [If you don't lodge](#) on time, penalties may apply.

If you owe tax, you need to pay in full and on time to avoid [general interest charges](#) (GIC). GIC on overdue tax debt compounds daily, so [if you don't pay](#) in full and on time, you'll pay more.


If you're worried you won't be able to lodge and pay by the due date, contact us or your tax professional before the due date to find out what [support options](#) are available.

## Tools and resources

See our range of tools, resources and support services to make it easier to meet your tax and super obligations:






- [ATO Small business newsroom and newsletter](#) – visit the small business newsroom for the latest updates on tax and super. You can also subscribe to our newsletter – 'Small business news' – to receive regular updates sent straight to your inbox
- [ATO Community](#)  – get answers to your questions on our online community forum
- [Employee or contractor](#) – find out if your worker is an employee or contractor
- [How to pay super](#) – how to make super guarantee contributions for your employees
- [How much super to pay](#) – work out how much super guarantee you must pay
- [Superannuation guarantee charge statement and calculator tool](#) – work out how much super you need to pay if you haven't paid your super contributions on time
- [Calculators and tools](#) – to help you run your business and save you time
- [Tax Time toolkit](#) for small business – practical information and fact sheets to help your business throughout the year
- [Income and deductions for business](#) – income you need to declare and deductions you can claim



- [Taking on an employee checklist](#) – what to consider when you take on an employee
- [ABN Lookup](#)  – check that businesses you deal with have an active ABN and whether they're registered for GST
- [Contact us](#) – for enquiries and options for managing your tax and super
- [External review of our decision](#) – further information on the external court or tribunal avenues for appealing our actions or decisions.

## Learning resources

Check out our learning resources to help build good habits for running your business:

- [Essentials to strengthen your small business](#)  – our online learning platform offers short courses to help you develop the skills and knowledge for your small business to thrive
- [atoTV](#)  – watch a wide range of short videos about tax and super
- [PAYG withholding](#) – find out if you need to register for PAYG withholding, what your withholding obligations are, how much tax to withhold, and more
- [PAYG instalments](#) – find out if you can voluntarily enter PAYG instalments and reduce the tax you may need to pay at the end of the year
- [Super for employers](#) – learn everything you need to know about paying super for your workers
- [Cash Flow Kit](#)  – a coaching resource to help guide conversations with your tax or business adviser about developing sustainable cash flow strategies
- [Small business showcase](#)  – resources on workplace laws and information for small business owners
- [Business.gov.au](#)  – the government's one-stop shop, including how to plan, start and run your business, and support for businesses impacted by natural disasters.

## Cash Flow Kit



The Cash Flow Kit is a resource for advisers to help small businesses manage their cash flow and stay viable.

QC 66852

## Cash Flow Kit

The Cash Flow Kit is a resource for advisers to help small businesses manage their cash flow and stay viable.

**Last updated** 31 March 2025

## Go to the Cash Flow Kit

Cash Flow Kit

The Cash Flow Kit can be used offline by selecting **Download free desktop app for Windows** on the Tax, Super and You website.

You can also access the kit in the following formats:

- Cash Flow Kit instructional cards on [business.gov.au](https://business.gov.au)
- paper kit or downloadable PDF using the ATO [Publication Ordering Service](#) and searching for 'Cash Flow Kit – for advisers' (NAT 75239-10.2019)
- open source code for the digital version available on [GitHub](#) .

## Benefits of the Cash Flow Kit






The Cash Flow Kit is an evidence-based framework that:

- gives small businesses clear action to help them meet their financial commitments, including their tax and super obligations
- turns cash flow theory into practical solutions by focusing on 4 key questions:
  - Is your client trading profitably?

- Have they put enough money aside to meet their regular financial commitments?
- Does their business have enough money to spend on themselves and pay others?
- Is their business getting ahead or falling behind?
- helps all business types at any stage of their business lifecycle.

## Learning resources

Advisers can watch a series of videos to learn more about using the kit:

- [Digital Cash Flow Kit \(14:55\)](#)  – introductory recorded webinar
- [Digital Cash Flow Kit - Lachlan Case Study \(16:17\)](#)  – how to use the cash flow canvas
- [Introduction to the Cash Flow Kit \(8:10\)](#)  – how to use the paper kit
- [Case study Cash Flow Kit \(11:53\)](#)  – how to have a cash flow conversation
- The collection of in-depth how-to videos, outlining how to use tools in the kit, are available on [atoTV](#) .

QC 57842

## Supporting your small business

Tax time essentials, learning resources, tools and services to support small business.

**Last updated** 8 January 2026

## Support for tax time

We offer a range of tools and services to help small businesses meet their tax and superannuation obligations. No matter what stage of the business lifecycle you're in, there's support available to help you stay on track.

If you haven't already, you should consider engaging a registered tax practitioner. Professional advice can help you better understand and meet your obligations. Tax professionals can also help you find the right support and provide personalised advice.

## **Tax time toolkit**

Our [Tax time toolkit for small business](#) has guides to help you with:

- small business tax concessions
- home-based business expenses
- motor vehicle expenses
- travel expenses
- claiming deductions for the cost of digital expenses
- using business money and assets
- pausing or permanently closing your business.

You can also download the [Tax time toolkit for small business \(PDF, 1.4MB\)](#).

To find out what's new and any changes that may affect you at tax time, visit [new measures for small businesses](#).

If you are carrying on a primary production business, you may also be eligible for additional concessions at tax time. To find out more visit [information for primary producers](#).

## **Support for Aboriginal and Torres Strait Islander peoples**

We're committed to making tax and superannuation as easy as possible for Indigenous small businesses. We have tailored information for Aboriginal and Torres Strait Islander peoples, including information on [how to start or run a business](#).

[Reach Out](#) is our Indigenous business support program that works with Indigenous small business owners to help them meet their tax and superannuation obligations. It also helps to improve their business and financial acumen.

To learn more about the support we offer, visit [Aboriginal and Torres Strait Islander peoples](#).

## Support in your language

We offer educational support to culturally and linguistically diverse small businesses. We also have a range of translated information about tax and superannuation in Australia to help people understand their responsibilities, obligations and rights.

To find out more visit [information in your language](#).

## Support in natural disasters and difficult events

We recognise that natural disasters and other difficult events can cause financial difficulties that can have a major and lasting impact on taxpayers. We remain committed to ensuring we apply our actions with fairness and understanding, particularly for taxpayers impacted by events outside of their control. [Support tailored to your circumstances](#) is available, you can also speak to your registered tax practitioner or find [information in your language](#).

There are many organisations that can provide information and support to help you with your mental health and wellbeing. For a list of organisations, and information about the support we can provide you, visit [personal crisis support](#).

You can also download our [information for small businesses impacted by a natural disaster \(NAT 75758 PDF, 499KB\)](#) [↗](#).

## Government support related to natural disasters

If you're affected by a [natural disaster](#) such as a bushfire, cyclone, flood, storm or drought, we can help you with your tax affairs so you can focus on your family and community. There are also a range of tailored concessions available to [primary producers](#) that can help them prepare for or manage the impact of a natural disaster. If you

receive a government disaster support grant or another payment to support your business, you may need to [report it in your tax return](#).

If you're having difficulty lodging or paying on time due to a natural disaster, contact our Emergency Support Infoline on 1800 806 218 or contact your registered professional or financial counsellor to discuss support options available.

For information about assistance from other government agencies in Australia, visit [Disaster Assist](#).

## Help meeting your obligations

If you need help to meet your tax or super obligations, [tax support is available](#). You should contact us or speak with a tax professional before your lodgments and payments are due to discuss the support options available. To provide you with help, we may ask for evidence that your business is in financial difficulty.

## Payment plans

If you're experiencing financial difficulties, you may be eligible to set up a [payment plan](#) to pay the tax you owe. A payment plan allows you to break down your payment into smaller amounts that are made via instalments. Payment plans will generally require an upfront payment, and repayments should be completed within the shortest possible timeframe to reduce the general interest charge that you'll pay.

You can also speak to a registered tax practitioner to discuss your payment options.

### Resources to help small businesses



Tax and super resources, tools and calculators to help you run your business.

### Managing your business online



Online support options to help small business owners manage registration, tax, and super responsibilities.

QC 48675

## Resources to help small businesses

Tax and super resources, tools and calculators to help you run your business.

**Published** 8 January 2026

### Tools and calculators

We have resources such as tools, calculators and checklists available to help you run your business more effectively and meet your tax and super obligations. Some of the most useful resources for businesses include:

[Record-keeping evaluation tool](#) – see how well your business keeps records.

[Tax withheld calculator](#) – work out the amount of tax to withhold from payments to payees weekly, fortnightly, monthly or quarterly.

[Super guarantee eligibility decision tool](#) – work out if you need to pay super for a worker.

[Super guarantee contributions calculator](#) – work out the super guarantee amount to pay to your employee's super fund.

[Super guarantee charge statement and calculator tool](#) – work out how much super you need to pay if you have not paid your super contributions on time.

You can also search our other [Calculators and tools](#) for those that are relevant to your situation.

If you're taking on an employee for the first time, you can find out what you need to consider and what steps you need to take in the [Hiring employees checklist](#). This also includes non-tax information such as pay rates, workplace health and safety and workers compensation.

When dealing with other businesses, make sure that you check that they have an [active ABN](#) and whether they're registered for GST.

By using these resources, you can make informed decisions about your business and stay compliant with your obligations.

## Educational resources

[Essentials to strengthen your small business](#) is an online learning site with short, free courses to help you improve your business, financial and tax knowledge. It provides targeted education across key areas such as business registration, record keeping, employer responsibilities, and using ATO online services.

There are over 30 courses, covering different:

- lifecycle stages – thinking about starting a business, running a business, changing a business and closing a business
- reporting obligations – if you have workers, or need to report GST or fringe benefits tax
- learning needs – if you want to learn more about good record keeping, improving cash flow or growing your business
- circumstances – if you want help setting up a business, want to check if your business is viable or are thinking of closing your business.

QC 106038

## Managing your business online

Online support options to help small business owners manage registration, tax, and super responsibilities.

**Published** 8 January 2026

### Online services

Our online services make it quick and easy to manage your tax and super.

- Sole traders and individuals can use the [ATO app](#) to access and manage their tax and super on the go.



- Most of your business reporting and transactions can be done online through [Online services for business](#). This includes preparing and lodging activity statements and annual reports, organising payment plans and managing accounts.
- Sole traders can access [Online services for individuals and sole traders](#) on any device to lodge their tax return, manage business activity statements, PAYG instalments and accounts, make payments, set up payment plans and more.

#### Managing your business registrations

There are other government online services available to help you manage your business registrations. These can also help you nominate others to act on behalf of your business.

- You can use [Australian Business Register \(ABR\) online services](#) to apply for, update and cancel an ABN. You can also manage your other registrations, such as GST, through your ABN application.
- If you are a company director, you can use [ABRS online](#) to apply, maintain and manage your director ID information. You will need to use a Digital ID, such as myID, to log on to ABRS online.
- [myID](#) is the Australian Government's Digital ID app, which lets you prove who you are when logging in to a range of government online services.
- As a business owner, you can use a Digital ID to link your business in [Relationship Authorisation Manager \(RAM\)](#) and authorise others to act on behalf of your business. Using RAM will also help simplify your interactions with government agencies.
- You can also use your Digital ID to log in to [Access Manager](#) to manage access and permissions for ATO online services such as Online services for agents, Online services for business and Australian Business Register (ABR).

## Engage with us

To get the latest updates on tax, super and registry services for small businesses, you can subscribe to our [Small business newsroom](#). You can also [join the discussion online](#) by following us on social media or checking out our [ATO Community](#) forum to ask questions about tax and super.

If you need more help, you should [contact us](#) or speak with a tax professional before your lodgments and payments are due to discuss the support options available.

QC 106039

## Tax basics for small business video series

These short videos answer common questions about running a small business.

**Last updated** 24 November 2022

### Overview

These short videos discuss claiming deductions, GST, contractors, employing workers and more. Follow small business operators as they get answers on registration, business structures, running a business from home, super, record keeping and other tax questions about their small business.

This short video explains what the series of videos are about and how they can help you.

**Media:** Tax basics for small business - introduction.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubu5y6ym> [↗](#) (Duration: 1:30)

This video is an overview of tax and super obligations that may arise when starting and running a small business.

**Media:** Tax basics for small business - overview.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubu5y95m> [↗](#) (Duration: 1:30)

### Starting your business

## Are you in business?

This video:

- explores the differences between a hobby and a business
- indicates how to determine whether you are in business
- outlines what it means to be in business.

**Media:** Are you in business?

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfurqip>  (Duration: 2:18)

## Choosing your business structure

This video explains the business structures available to you and how tax may apply to the different structures.

**Media:** Choosing your business structure: Tax basics for small business.


<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfurqic>  (Duration: 3:26)

## Registering your business

This video looks at different registration requirements for your business, such as:

- tax file number (TFN)
- Australian business number (ABN)
- goods and services tax (GST).

**Media:** Registering your business: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfurqiq>  (Duration: 2:38)

## Goods and services tax (GST)

This video:

- explains how GST works

- indicates when you have to register
- outlines what you have to do when you are registered for GST.

**Media:** Goods and services tax: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfurqi3>  (Duration: 4:55)

## Activity statements

This video looks at what an activity statement is and what to do when you receive your statement.


**Media:** Activity statements: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfurqii>  (Duration: 2:23)

## Paying your tax

This video explains how to pay your tax and the options available to you if you are having difficulty paying, the options available to you.

**Media:** Paying your tax: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfw7bq5>  (Duration: 2:22)

## Deductions you can claim

### Business deductions

This video explains the expenses you can and can't claim as a deduction in your business.


**Media:** Business deductions: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfw7bqc>  (Duration: 3:56)

### Travel expenses

This video focuses on when you can claim travel expenses in your business.


**Media:** Business deductions - Travel expenses: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfw7bqp>  (Duration: 1:23)

## Home office expenses

This video outlines what deductions you can claim if you operate your business from home or if you have a home office.

**Media:** Business deductions - Home office expenses: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfw7bq4>  (Duration: 4:30)

## Paying workers

### PAYG withholding

This video explains the PAYG withholding obligations you have as an employer.

**Media:** Paying workers - Pay as you go (PAYG) withholding: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfiyse6>  (Duration: 3:31)

### FBT

This video explains how to work out if you have a fringe benefits tax (FBT) obligation and what you need to do to meet that obligation. It also explains what salary sacrifice arrangements are.

**Media:** Paying workers - Fringe benefits tax: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfiyse9>  (Duration: 4:31)

## Fuel tax credits

This video explains who is eligible to claim fuel tax credits and what to do if you are eligible.

**Media:** Fuel tax credits: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfiyset>  (Duration: 4:31)

## Record keeping

This video outlines what records to keep so you can meet your tax obligations.

**Media:** Record keeping: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfiyse4>  (Duration: 5:20)

## Information for contractors and consultants – PSI

This video explains special personal services income (PSI) rules and how to work out if these rules apply to you.

**Media:** Personal services income: Tax basics for small business.

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfiysjb>  (Duration: 4:39)

## Doing your business overseas


This video explains how tax applies to overseas business transactions.

**Media:** Doing your business overseas: Tax basics for small business

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfiyse1>  (Duration: 2:23)

## Selling or closing your business

This video explains what you need to consider and what you need to do when you sell or close your business.

**Media:** Selling or closing your business: Tax basics for small business.  
<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfiysjd>  (**Duration:**  
3:30)

QC 35867

## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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