

Completing the *Consolidated activity statement*

A head company pays PAYG instalments on a consolidated basis from the date of effect of its consolidated instalment rate – that is, the beginning of the instalment quarter in which the Tax Office first issues the rate. The head company receives a separate activity statement, known as a *Consolidated activity statement*, to pay these instalments.

This section provides instructions for completing the *Consolidated activity statement*.

Note

More information

For general information about the treatment of PAYG instalments during the formation period and the ongoing arrangements for mature groups → 'Treatment of PAYG instalments', C8-1.

Options for reporting and paying PAYG instalments

The *Consolidated activity statement* for the first quarter of an income year shows the payment option or options available to the head company.

The head company can use only one option in an income year. Therefore, if the first *Consolidated activity statement* is for a quarter other than the first quarter of the head company's income year, only one option will be available – the option that was used by the head company in previous quarters of that income year. In this event there will be a pre-printed 'X' in the box next to that option. Boxes you can't use will be clearly marked 'do not complete this option'.

If the head company is eligible for an additional option, this will be available in the first activity statement of the next income year.

The options for reporting and paying PAYG instalments on a consolidated basis are broadly the same as those available to companies generally:

- Option 1: Pay a PAYG instalment amount advised by the Tax Office, or
- Option 2: Calculate your PAYG instalment amount using the *instalment rate x instalment income* method.

Table 1: Eligibility for reporting and payment options

Option 1	Option 2
Pay a PAYG instalment amount worked out by the Tax Office	Pay a PAYG instalment calculated using the <i>instalment rate x instalment income method</i>
<i>Available to:</i> Consolidated groups where the instalment income of the head company is \$1 million or less*	<i>Available to:</i> All consolidated groups*

* May not be available on first *Consolidated activity statement* if it is for a quarter other than the first quarter of the income year.

Figure 1: A guide to the quarterly Consolidated activity statement

The reporting period that the activity statement covers

Document ID – a unique identifier for each activity statement you receive

Complete this section if you are paying a PAYG instalment amount advised by the Tax Office

Complete this section if you calculate the PAYG instalment using the *rate x income* method

The activity statement must be signed and dated

The Australian business number (ABN) or tax file number (TFN)

The date you have to lodge and the date you have to make a payment

You need to complete the contact details

This is where you summarise PAYG information and calculate whether the head company is due a refund or needs to pay the Tax Office

The payment advice – use this tear-off section when making a payment

Use the back page of the activity statement only if you are varying the instalment rate or amount

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Michael Jones Pty Ltd
123 Lower Mountains Road
MT PLEASANT NSW 2222

Office use only

Consolidated Activity Statement
October to December 2002

Document ID 12 123 123 123
ABN 12 345 679 890
Form due on 21 Jan 2003
Payment due on 21 Jan 2003

Barcode: 41920702

When completing this form, please

- use a BLACK pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +, -, /, \$

PAYG income tax instalment
For the QUARTER from 1 Oct 2002 to 31 Dec 2002
Complete Option 1 OR 2 (indicate one choice with an X)

Option 1: Pay a PAYG instalment amount quarterly

Consolidated amount T7 \$ 123,498 From XXXX amended assessment

Write the T7 amount at 5A. If varying the T7 amount, see over the page.

Option 2: Calculate PAYG instalment using income times rate

PAYG instalment income T1 \$

Consolidated rate T2 6.25% National tax of XXXX-XXXX-XXXX from your XXXX amended assessment

Write the result of T1 x T2 at 5A. If varying the T2 rate, see over the page.

Amounts you owe the ATO

PAYG income tax instalment 5A \$

Deferred company/fund instalment 7

5A + 7 8A

Amounts the ATO owes you

Credit from PAYG income tax instalment variation 5B \$

Payment or refund?

Is 8A more than 5B? Yes, then write the result of 8A minus 5B at 9. This amount is payable to the ATO.
 No, then write the result of 5B minus 8A at 9. This amount is refundable to you (or offset against any other tax debt you have).

Your payment or refund amount 9 \$

Do not use symbols such as +, -, /, \$

Declarations I declare that the information given on this form is true and correct, and that I am authorised to make this declaration.

Signature _____ Date / /

Please return this completed form to _____

HRS MINS
Please estimate the time taken to complete this form. Include the time taken to collect any information.

The ATO is authorised by the taxation law to collect this information to administer those laws and may pass information to other government agencies. Details are given on page 2 of the activity statement instructions. For a copy, phone the Tax Reform Infoline on 13 24 78

NAT 4192-7-2002

PAYMENT ADVICE - 60

Michael Jones Pty Ltd

ATO code 0000 0156 03
ABN 12 345 679 890
Amount paid

Australian Taxation Office
Locked Bag 1793
PENRITH NSW 1793

Option 1: PAYG instalment amount

If varying the T7 amount, complete T8, T9, T4

Estimated tax for the year T8 \$

Varied amount for the quarter T9 \$
Write the T9 amount at 5A on the front

Reason code for variation T4

OR

Option 2: PAYG instalment rate

If varying the T2 rate, complete T3, T11, T4

New varied rate T3 %

T3 x T1 T11 \$
Write the T11 amount at 5A on the front

**Option 1 –
pay amount
advised by
Tax Office**

<input type="checkbox"/>	Option 1: Pay a PAYG instalment amount quarterly	
Consolidated amount T7	\$ <input type="text" value="123,498"/>	From XXXX amended assessment
Write the T7 amount at 5A. If varying the T7 amount, see over the page.		

The *Consolidated activity statement* will show a PAYG instalment amount at **T7** if the head company is eligible to use this option.

To use this option and pay a PAYG instalment amount advised by the Tax Office, write an 'X' in the box.

If the head company elects to pay using option 1 it is required to continue using this option for the rest of the income year. Subsequent activity statements for the income year will have a pre-printed 'X' in the box.

If this option has already been used by the head company during the income year, there will be a pre-printed 'X' in the box.

If this option is unavailable to the head company – either because it is ineligible or because it has used option 2 in a previous quarter of the income year – it will be marked 'do not complete this option'.

**T7
Tax Office instalment amount**

The PAYG instalment amount shown at **T7** is generally an amount calculated by the Tax Office. If the head company varied its instalment amount in a previous quarter of the income year, the varied amount is shown.

To pay the amount shown at **T7**, transfer it to **5A**.

Example

The September quarter *Consolidated activity statement* offers a choice of options. The head company, HCo, decides to use option 1 and pay the instalment amount advised by the Tax Office.

HCo writes an X in the option 1 box to indicate its choice. An instalment amount of \$5,300 is pre-printed on its activity statement at **T7**. HCo does not want to vary this amount. It transfers the figure of 5,300 to **5A** in the summary section.

<input checked="" type="checkbox"/>	Option 1: Pay a PAYG instalment amount quarterly	
Consolidated amount T7	\$ <input type="text" value="5,300"/>	From XXXX amended assessment
Write the T7 amount at 5A. If varying the T7 amount, see over the page.		

Vary the instalment amount

Option 1: PAYG instalment amount	
If varying the T7 amount, complete T8, T9, T4	
Estimated tax for the year T8	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Varied amount for the quarter T9	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Write the T9 amount at 5A on the front	
Reason code for variation T4	<input type="text"/> <input type="text"/>

The head company can vary its instalments if it considers that using the amount shown at T7 would result in it paying more (or less) than its expected tax for the income year.

To vary the PAYG instalment amount, complete the 'Option 1' section on the back of the *Consolidated activity statement*. The head company needs to provide details of its:

- estimated tax for the year, at T8
- varied amount for the quarter, at T9, and
- reason for varying, at T4.

T8 Estimated tax for the year

Estimated tax for the year T8	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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To vary the head company's PAYG instalment amount, first estimate the expected tax on the group's business and investment income for the year. Write this figure at **T8**. The Tax Office uses this figure to calculate the instalment amounts for the remaining quarters of the income year.

The head company may be liable to pay the general interest charge if it varies down and underestimates the tax on the group's business and investment income by more than 15%.

T9 Varied amount for the quarter

Varied amount for the quarter T9	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Write the T9 amount at 5A on the front	

The varied amount for the quarter depends on which quarter is being considered and the amounts paid in previous quarters. Table 2 sets out the calculations for completing **T9** for the relevant period, assuming the head company pays consolidated PAYG instalments from the first quarter of the income year.

If the result of the calculation is a positive amount, write it at **T9**. If it's a negative amount or zero, write '0' at **T9**. (If it's a negative amount, you may wish to claim a credit at **5B**.)

Table 2: Varied amount calculation (if head company pays consolidated PAYG instalments from first quarter of income year)

If the instalment quarter is:	The varied instalment amount is:
The first in the income year for which the head company is liable to pay an instalment	<ul style="list-style-type: none"> • 25% of the head company's estimated tax for the income year.
The head company's second for that income year	<ul style="list-style-type: none"> • 50% of the head company's estimated tax for the income year • minus the amount of the head company's first quarter instalment.
The head company's third for that income year	<ul style="list-style-type: none"> • 75% of the head company's estimated tax for the income year • minus the amount of the head company's first and second quarter instalments • plus any credit the head company claimed for the second instalment.
The head company's fourth for that income year	<ul style="list-style-type: none"> • 100% of the head company's estimated tax for the income year • minus the amount of the head company's first, second and third quarter instalments • plus any credit the head company claimed for the second and third instalments.

Varying in the first year of consolidated PAYG instalments

The information in table 2 assumes that the head company is paying consolidated PAYG instalments from the first quarter of its income year. This will always be the case in the second and subsequent years of the head company's obligation to pay consolidated PAYG instalments.

However, in the first year, the head company's obligation to pay consolidated PAYG instalments may begin in a quarter other than the first quarter of its income year.

If so, the calculation of a varied amount for any consolidated instalment during that income year will need to take into account the PAYG instalment liabilities and credits of group members prior to the date that the head company began paying consolidated PAYG instalments, as shown in table 3.

Table 3: Varied amount calculation if head company begins paying consolidated PAYG instalments from a quarter other than first quarter of income year

If the instalment quarter is:	The varied instalment amount is:
The second in the income year for which the head company is liable to pay an instalment (including earlier instalment obligations of the company that is now the head company)*	<ul style="list-style-type: none"> • 50% of the group's estimated tax for the income year** • minus the total of the first quarter instalments of all group members
The head company's third for that income year (including earlier instalment obligations of the company that is now the head company)*	<ul style="list-style-type: none"> • 75% of the group's estimated tax for the income year** • minus the total of first and second quarter instalments of all group members, including any consolidated instalments of the head company • plus the total (if any) of credits the group members and head company claimed for the second instalment.
The head company's fourth for that income year (including earlier instalment obligations of the company that is now the head company)*	<ul style="list-style-type: none"> • 100% of the group's estimated tax for the income year** • minus the total of the first, second and third quarter instalments of all group members, including any consolidated instalments of the head company • plus the total (if any) of credits the group members and head company claimed for the second and third instalments.

* That is, include quarters in which the company that is now the head company paid its own PAYG instalments *and* quarters in which the head company paid consolidated PAYG instalments. For example, if the head company begins paying consolidated PAYG instalments in the second quarter, but paid its own, non-consolidated PAYG instalment in the first quarter, the calculation of the varied amount should be done on the basis that the quarter being considered is the second quarter.

** Including the estimated tax liability of subsidiary members.

T4 **Reason code for variation**

Reason code for variation **T4**

Choose a reason from table 4 that best describes why the head company is varying its instalment amount, and write the appropriate code at **T4**.

If the head company is varying because a subsidiary member has joined or left the group, use reason code 33.

Calculate
amounts owed

5A
PAYG income tax instalment

Amounts you owe the ATO	
PAYG income tax instalment	5A \$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

If the head company is using the rate pre-printed at **T2**, multiply this rate by the amount shown at **T1** and write the result at **5A**.

If the head company is varying the instalment rate, transfer the amount you wrote at **T11** to **5A**.

You can choose to write '0' at **5A** instead of the instalment amount if the instalment for the period covered by the activity statement is \$50 or less, and the head company is not claiming a credit at **5B**.

5B
Credit from PAYG income tax instalment variation

Amounts the ATO owes you	
Credit from PAYG income tax instalment variation	5B \$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

The head company may be entitled to a credit from earlier instalments for the same income year if it varies its instalment rate and the new varied rate at **T3** is less than the instalment rate pre-printed at **T2**.

A credit will be available only if earlier instalments were worked out using a higher instalment rate. If the instalment being varied is the first for the income year, the head company can't claim a credit.

Even if the head company is entitled to a credit, it doesn't have to claim it in the activity statement. Any overpayment of PAYG instalments will be credited to the head company when its annual income tax return is assessed.

You can use the steps below to calculate the amount of credit that can be claimed in the activity statement:

- 1 Add up the instalment amounts recorded at **5A** on the head company's previous activity statements for the income year.
- 2 Add up any credits the head company has claimed for the income year. These are the amounts recorded at **5B** on the head company's previous activity statements for the income year.
- 3 Subtract the amount at step 2 from the amount at step 1.
- 4 Add up the head company's instalment income for all earlier quarters in the income year. These are the amounts recorded at **T1** on the head company's previous activity statements for the income year.

How to lodge and pay

By mail

Mail the original, completed activity statement with cheque using the pre-addressed envelope provided to one of the following addresses:

From WA, SA, NT, TAS and VIC

Australian Taxation Office
Locked Bag 1936
Albury NSW 1936

or

From NSW, ACT and QLD

Australian Taxation Office
Locked Bag 1793
Penrith NSW 1793

Cheques should be made payable to the 'Deputy Commissioner of Taxation' and crossed 'Not Negotiable'. Don't attach the cheque with pins or staples.

It's important to send the original activity statement, not a copy or a version generated from a commercial software package. Information generated by a commercial software package must be transferred to the original statement.

In person

Payment can be made at Australia Post outlets using the original payment advice form. Payments can be made with cash (a \$3,000 limit applies), money order or cheque. EFTPOS is available at most Australia Post outlets for savings and cheque accounts only.

To order additional or replacement payment advice forms phone **13 72 26**.

Electronically

Activity statements can be lodged electronically using:

- the electronic commerce interface (ECI) over the internet, or
- the head company's registered tax agent.

To find out more about lodging activity statements electronically, visit www.taxreform.ato.gov.au/esd/esd_main.htm or phone the Tax Office on **1300 139 051**.

Payments can be made by:

- direct credit – initiate an electronic payment using internet banking or a banking software package
- BPAY (Biller code 75556) – use your financial institution's BPAY facility to pay by phone or internet (the EFT code on your activity statement is the BPAY reference number), or
- direct debit – the head company's tax agent can arrange to have payment electronically deducted from the head company's bank account.

The Tax Office does not accept credit card payments.

For more information about direct credit or BPAY:

- phone 1800 815 886
- email **payment@ato.gov.au**

For more information about direct debit:

- phone 1800 802 308
- email **eft-information@ato.gov.au**

Note

If you make a payment at Australia Post, or you pay by electronic means, you must still send your completed activity statement to the Tax Office either by mail or electronically.

Difficulty lodging and paying on time

Phone the Tax Office on **13 28 66** to check whether alternative arrangements can be made.

The activity statement should be lodged by the due date even if payment will not be made on time. A penalty may be applied if the activity statement is not lodged on time, and the general interest charge will be applied to any amount not paid by the due date.

Mistakes

Correct mistakes by striking out the error in black pen. Write the new information as close as possible to the boxes for the label. Tape whiteout can also be used to correct errors but liquid whiteout causes problems with scanning.

After lodging the activity statement

Generally a revised activity statement will need to be lodged to correct an error. Phone the Tax Office on **13 28 66** to obtain a revised activity statement.

Refunds

Generally refunds can only be paid directly into the nominated financial institution account, so it's essential that the Tax Office has the correct account and BSB numbers for the head company. The nominated account must be at a branch of the institution in Australia.

The Tax Office may not issue a refund where a previous activity statement hasn't been lodged or if incorrect bank details have been provided.

Contact the Tax Office on **13 28 66** to change financial institution account details.

Record keeping

Keep a copy of the activity statement and the records used to prepare it for five years after they are prepared, obtained or the transactions completed, whichever is the later, in writing and in English.

Note

More about record keeping

For detailed guidelines and a checklist of the records that a member of a consolidated group needs to keep → 'Record keeping guidelines and checklist', C9-2