LCR 2018/D6 - Expansion of the taxable payments reporting system to contractors in the courier and cleaning industries

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Draft Law Companion Ruling
LCR 2018/D6

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Expansion of the taxable payments reporting system to contractors in the courier and cleaning industries

Relying on this draft Ruling

This publication is a draft for consultation purposes only. When the final ruling issues, it will have the following preamble:

This Ruling describes how the Commissioner will apply the amendments to the law made by Schedule 2 of the Treasury Laws Amendment (Black Economy Taskforce Measure No. 1) Bill 2018.

If you rely on this Ruling in good faith, you will not have to pay any underpaid tax, penalties or interest in respect of matters covered by the Ruling if it does not correctly state how a relevant provision applies to you.

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What this draft Ruling is about

1. This draft Ruling describes how the ATO will apply amendments made by Schedule 2 of the Treasury Laws Amendment (Black Economy Taskforce Measure No. 1) Bill 2018 (as amended) (the Bill) in relation to the expansion of the taxable payments reporting system.

Date of effect

2. It is proposed that this draft Ruling will be finalised as a public ruling, effective from 1 July 2018. If passed as introduced, the Bill will apply to supplies of courier and cleaning services made from 1 July 2018.

Background

3. From 1 July 2018, if you are a business and you supply a courier or cleaning service you will need to report any payments you make to contractors if:

- the payment is wholly or partly for providing this service on your behalf
- payments you receive for courier or cleaning services make up at least 10% of your current or projected goods and services tax (GST) turnover (whichever is applicable to your business), and
- you have an Australian business number (ABN).

4. Contractors can be sole traders (individuals), companies, partnerships or trusts.

5. You are required to report the total payments you make to contractors in the financial year in which the payments are actually made (cash basis).

Work out if you need to report

6. If you are a business that has an ABN, there are three steps you must follow to work out if you need to lodge a *Taxable payments annual report* for payments you make to courier or cleaning contractors in the current financial year:

- **Step 1** – Have you supplied a courier or cleaning service?[1]
- **Step 2** – Have you made payments to one or more contractors to provide this service on your behalf?[2]
- **Step 3** – Does the reporting exemption apply to you?[3]

7. Further information and examples are available on each of the three steps. Additional examples may be provided as different business structures are considered in the future.

Step 1: Have you supplied a courier or cleaning service?

8. 'Supply' takes its meaning from section 9-5 of *A New Tax System (Goods and Services Tax) Act 1999*.

9. You supply a courier or cleaning service when you provide a courier or cleaning service to your customer or client.[4]

Supplies that are only partly for courier or cleaning services

10. If the service you provide to your customer or client can be split into separately identifiable parts and at least one of those parts is a courier or cleaning service, then that part is a supply of a courier or cleaning service for the purposes of lodging a *Taxable payments annual report*.[5]

[1] Schedule 2 Part 1 clause 1, table items 1 and 2 of the Bill.
[2] Schedule 2 Part 1 clause 1, table items 1 and 2 of the Bill.
[3] Schedule 2 Part 2 clause 3 of the Bill.
[4] Schedule 2 Part 1 clause 1 of the BIll and Goods and Services Tax Ruling GSTR 2006/9 *Goods and services tax: supplies*.
[5] This principle adopts the concept of 'mixed supplies' as it is used in relation to goods and services tax (GST), see: Goods and Services Tax Ruling GSTR 2001/8 G*oods and services tax: apportioning the consideration for a supply that includes taxable and non-taxable parts*.

11. If you provide a courier or cleaning service that is merely ancillary or incidental to another product or service you provide, then you are not supplying a courier or cleaning service for the purposes of lodging a *Taxable payments annual report*.[6]

Courier services

12. Courier services include activities where items or goods are collected from, and/or delivered to, any place in Australia using a variety of methods including by car, truck, station wagon, van, ute, motorcycle, motorised scooter, drones, bicycle or other non-powered means of transport, or on foot.

13. While the mode of transportation can be useful in identifying a courier activity, mode of transportation alone is not determinative. Courier services are usually door-to-door services that are often used for specialty deliveries or for small parcels or packages. Goods commonly transported using courier services include parcels, packages, letters and food.

14. Courier services do not include:

- passenger transport services, for example, buses and taxis
- freight transport.[7]

15. Where an arrangement with a customer involves the supply of goods delivered to the customer, you will have to determine whether the supply is a composite supply of delivered goods or a mixed supply of a delivery service and of goods:

- Where the delivery is integral, ancillary or incidental to the supply of the goods, the supply is a composite supply of delivered goods. The delivery involved in the composite supply will not constitute the supply of a courier service.
- Where the delivery is a significant component, or could realistically be made as a separate supply, the supply is a mixed supply of a delivery service and the goods. The supply of the delivery service as part of the mixed supply will be a supply of a courier service.

16. The Commissioner's views on whether the integrated supply of delivered goods is a mixed or composite supply is contained in Goods and Services Tax Determination GSTD 2002/3 *Goods and services tax: how do I account for GST when I supply taxable goods, non-taxable goods and delivery services together?*

Example 1 – a business providing courier and other services

17. *Quick Smart Tailors Pty Ltd has an ABN and provides clothing repair and alteration services. They also operate a side business that provides express parcel and letter delivery services for businesses. Even though Quick Smart Tailors provides different services, the parcel and letter delivery service they provide is a courier service that can be identified separately from their clothing repair and alteration service. Furthermore, the delivery service Quick Smart Tailors provides is not ancillary or incidental to their clothing repair and alteration service, because they are separate services in separate businesses. Therefore, Quick Smart Tailors is supplying a courier service to customers using its parcel and letter delivery service.*

[6] This principle adopts the concept of 'composite supplies' as it is used in relation to GST, see GSTR 2001/8.
[7] The Government has announced that businesses in the road freight transport industry will be required to report payments to contractors for road freight transport services starting from 1 July 2019, see: *Budget Paper No. 2: Budget Measures 2018–2019.*

18. *Quick Smart Tailors hires couriers to deliver the parcels and letters. If the reporting exemption does not apply to Quick Smart Tailors, it will have to report the payments it makes to these contractors in a Taxable payments annual report.*

Example 2 – a business providing food delivery services to restaurants

19. *Immediate Food Pty Ltd has an ABN and is a business that picks up and delivers food from restaurants to customers. Customers contact the restaurant directly to place orders and the restaurant then uses delivery drivers subcontracted by Immediate Food to undertake deliveries. Immediate Food charges their client restaurants for the services they provide.*

Does Immediate Food Pty Ltd have to report?

20. *Immediate Food Pty Ltd supplies a courier service to the restaurants because it picks up orders from the restaurants and delivers them to the restaurants' customers. If the reporting exemption does not apply to Immediate Food, Immediate Food will have to report payments it makes to its subcontractor drivers in a Taxable payments annual report.*

Do the restaurants that partner with Immediate Food Pty Ltd have to report?

21. *The restaurants that partner with Immediate Food are offering their take away customers a choice of picking up their order from the restaurant or having it delivered to them (via Immediate Food). Because of this, the restaurants are also supplying courier services when they deliver customer orders via Immediate Food. If the reporting exemption does not apply to them, they will also need to lodge a Taxable payments annual report specifying payments they made to Immediate Food.*

Example 3 – online florist hiring a contractor to deliver flowers to customers

22. *Daisy Bouquet Pty Ltd has an ABN and is an online florist with no shopfront. Customers purchase flowers from Daisy Bouquet on its website and the flowers are delivered via courier only (with no option for the customer to collect the flowers themselves). The courier drivers are contractors engaged by Daisy Bouquet. Daisy Bouquet charges customers a small delivery fee as well as the fee for the flowers when they place an order. Because customers can only obtain the flowers they purchase via delivery and the delivery is integral and incidental to the supply of the delivered flowers, Daisy Bouquet is not supplying a courier service when it sells flowers to customers, even though it charges customers a small fee for delivery. Daisy Bouquet is not required to report the payments it makes to its contractor courier drivers in a Taxable payments annual report.*

Example 4 – a business providing freight transport services

23. *Longhaul Freight Pty Ltd has an ABN and uses semi-trailer trucks to pick up and deliver bulk groceries from grocery suppliers to supermarket stores. Longhaul Freight uses contractors to drive its trucks. As Longhaul Freight is transporting bulk quantities of groceries, it is supplying a freight transport service. A freight transport service is not a courier service, so Longhaul Freight is not required to report payments it makes to contractors who drive its trucks in the 2018–2019 financial year.*[8]

[8] See footnote 7.

Example 5 – freight transport with smaller vehicles due to operational requirements

24. *Following on from Example 4, Longhaul Freight Pty Ltd has an agreement to transport a consignment of bulk groceries to a supermarket in a remote location. There is only one main road to this location from Longhaul Freight's nearest distribution centre and the road is not suitable for heavy vehicles. Longhaul Freight breaks down the consignment into smaller loads, and uses contractors to transport these smaller loads in vans to the supermarket. As the original agreement that Longhaul Freight had was to transport a bulk quantity, Longhaul Freight is still supplying a freight transport service (and not a courier service) even though it has to transport the groceries in smaller vehicles. The mode of transport does not change the nature of the service being provided. Longhaul Freight is therefore not required to report payments made to the contractors who delivered the groceries in vans to the supermarket.*

Example 6 – transporting goods to a distribution centre for further delivery by couriers

25. *Wow Couriers Pty Ltd has an ABN and provides delivery services to homes and businesses Australia-wide. Wow Couriers uses contractor drivers to transport bulk quantities of items arriving from overseas to its distribution centres in Australian capital cities. The payments Wow Couriers make to these contractors are for a freight transport service, not a courier service, due to the bulk quantities of items being transported. These payments do not have to be reported in a Taxable payments annual report for the 2018–2019 financial year.*

26. *Once the items arrive at the distribution centres, Wow Couriers uses different contractors to deliver the items in vans to their individual intended recipients. The delivery of these items to the intended recipients is a supply of a courier service as Wow Couriers is now providing a door-to-door delivery service of numerous items to various recipients. If the reporting exemption does not apply to Wow Couriers, it will be required to report the payments it makes to these contractors in a Taxable payments annual report.*

Cleaning services

27. Cleaning services include, but are not limited to, any of the following activities undertaken on a building, residence, structure, place, surface, transport/vehicle, industrial machinery or equipment and for events:

- interior cleaning
- exterior cleaning (except sand blasting)
- carpet cleaning
- chimney cleaning
- gutter cleaning
- road sweeping and street cleaning
- swimming pool cleaning
- park and park facilities cleaning.

28. 'Events' include staging of sporting, cultural, scientific, technological, agricultural or entertainment events and exhibitions.

29. 'Transport/vehicles' includes trains, trams, buses, ferries, airplanes, ships, trucks, cars and other motor vehicles.

30. Where a cleaning activity is provided as part of a broader integrated supply of services, you will have to determine whether the supply is a composite supply of the services or a mixed supply of a cleaning service and the other services.[9]

31. Similar considerations apply to those in relation to delivered goods in paragraphs 15 and 16 of this draft Ruling. A cleaning service will be provided where the supply is a mixed supply of services including a cleaning service; a cleaning service will not be provided if the supply is a composite supply that includes a cleaning service.

Example 7 – a business selling cleaning products and occasionally providing cleaning services

32. *Cleaners & All 123 has an ABN and sells cleaning products. Occasionally, customers that purchase their cleaning products also engage them to provide cleaning services. The cleaning services Cleaners & All 123 provides to these customers are separate to the sale of their cleaning products, so Cleaners & All 123 is supplying a cleaning service to them.*

33. *Cleaners & All 123 hires contractors to provide the cleaning services for these customers. If the reporting exemption does not apply to Cleaners & All 123, it will have to report the payments it makes to contractors for cleaning services in a Taxable payments annual report.*

Example 8 – a business providing gardening services and ancillary cleaning services

34. *Efficient Gardening Pty Ltd has an ABN and offers gardening services to homes across Australia, such as trimming, hedging and weed control. Efficient Gardening pays contractors to provide these gardening services on its behalf. As part of the gardening services Efficient Gardening provide, the contractors clean up by sweeping and cleaning clients' verandas and pavements to remove all plant and shrub cuttings, weeds and dirt.*

35. *This cleaning service cannot be identified separately from the gardening services Efficient Gardening provides to its customers. Rather, the cleaning service is ancillary or incidental to the gardening services because it is undertaken as a result of providing the gardening services to customers. Therefore Efficient Gardening is not supplying a cleaning service when its contractors clean up after finishing a gardening job for a client. Efficient Gardening is not required to report payments it makes to its contractors in a Taxable payments annual report.*

Example 9 – a business providing cleaning and other services

36. *Highlight Management Pty Ltd has an ABN and provides a wide range of services including event management, catering, corporate training and cleaning. Highlight Management has an agreement with an industry association to manage a five-day industry forum event. The agreement specifies that Highlight Management will provide and manage the IT equipment for the event venue, provide chauffeurs for high profile attendees, provide daily catering, and ensuring the venue is cleaned at the end of each day.*

37. *The cleaning services Highlight Management provides can be identified separately from the other services they provide to the industry association. Furthermore, the cleaning services are not ancillary or incidental to the other services because the cleaning services can be undertaken independently from the others. Therefore Highlight Management is supplying a cleaning service to the industry association under this agreement.*

[9] Refer to footnotes 5 and 6 and to GSTR 2001/8 generally.

38. *Highlight Management engages contractors to provide all event management services for this event on its behalf. If the reporting exemption does not apply to Highlight Management, it will be required to report payments to contractors that provided the cleaning services in a Taxable payments annual report.*

Example 10 – owners corporation manager contracting independent cleaners as agent for the owners corporation

39. *Condo Living Pty Ltd has an ABN and is the appointed owners corporation manager for an apartment block in Melbourne and has an ABN. Condo Living is acting as agent for the owners corporation and arranges for cleaners to be engaged to regularly clean and maintain the common areas on behalf of the owners corporation. Condo Living contracts 10 cleaners to clean these common areas and meets the expenses out of the owners corporation fees periodically collected from owners.*

40. *Condo Living is engaging the cleaners on behalf of the owners corporation and is not supplying a cleaning service to the owners corporation or owners. Condo Living is therefore not required to report the payments it makes to the 10 contracted cleaners.*

Step 2: Have you made payments to contractors to provide this service on your behalf?

41. If you supply a courier or cleaning service under Step 1, you need to work out if you have made payments to one or more contractors to provide this service on your behalf in the current financial year. You are required to report these payments in a *Taxable payments annual report*, unless you are exempt from reporting under Step 3.

42. If an invoice you receive from a contractor includes both labour and materials, whether itemised or combined, you are required to report the total amount of the payment.

Example 11 – a cleaning business only hiring one contractor in a financial year

43. *Clean Faster Pty Ltd has an ABN and supplies cleaning services to clients in Darwin. The reporting exemption does not apply to Clean Faster in both the 2018–2019 and 2019–2020 financial years. Clean Faster has several full-time employees which it uses to provide cleaning services to clients.*

44. *In the 2018–2019 financial year, Clean Faster did not hire any contractors to provide cleaning services, so it is not required to lodge a Taxable payments annual report in 2018–2019.*

45. *In the 2019–2020 financial year, one of Clean Faster's employees went on maternity leave, so Clean Faster engaged a contractor to fill in and provide cleaning services until that employee returned to work. Clean Faster is required to report the payments it made to the contractor in a Taxable payments annual report for the 2019–2020 financial year.*

Example 12 – a courier business using employees and contractors to deliver products through different modes of transport

46. *In A Hurry Pty Ltd has an ABN and supplies courier services mainly within Melbourne. The reporting exemption does not apply to In A Hurry Pty Ltd. On one occasion in the 2018–2019 financial year, In A Hurry needs to send items to customers in Brisbane. To facilitate this, their employees pick up the items from their Melbourne warehouse and deliver them to an air freight company, Speedy Air Freight Pty Ltd.*

47. *Speedy Air Freight flies In A Hurry's items, along with other freight, to Brisbane. In A Hurry engages local Brisbane courier contractors to collect the items from Speedy Air Freight and deliver them to the Brisbane customers.*

48. *In A Hurry is required to report payments it makes to the contractors that collected the items from Speedy Air Freight and delivered them to the Brisbane customers in a Taxable payments annual report for 2018–2019.*

49. *In A Hurry does not need to report payments it made to its employees that sent the items to Speedy Air Freight because they are not contractors. The payments made to its employees are for wages and are reported in In A Hurry's pay as you go (PAYG) withholding payment summary annual report. In A Hurry also does not need to report payments it made to Speedy Air Freight because they are supplying a freight transport service and not a courier service.*

Example 13 – a cleaning business reporting contractor payments for labour and materials

50. *Cleanest Management Pty Ltd has an ABN and supplies cleaning services. The reporting exemption does not apply to Cleanest Management. Cleanest Management is engaged to clean a school and hires a contractor to undertake this work. As part of the contract with the contractor, the contractor is required to provide their own cleaning products, for which they on-charge to Cleanest Management.*

51. *At the end of the month the contractor provides Cleanest Management with a tax invoice for $3,300 (GST inclusive) for their cleaning services and cleaning products purchased. The total amount of the invoice of $3,300 is required to be reported in a Taxable payments annual report.*

Step 3: Does the reporting exemption apply to you?

52. If you supply a courier or cleaning service under Step 1, and you make payments to one or more contractors in the current financial year to provide this service on your behalf under Step 2, you are exempt from the requirement to report these payments if less than 10% of your current or projected GST turnover is from payments received for supplies of courier or cleaning services in the current financial year.[10]

53. Even if you are exempt from reporting under this formula, you can still choose to lodge a *Taxable payments annual report* detailing payments you have made to contractors for courier or cleaning services if you wish.

Working out if you are exempt – courier services

54. If you supply a courier service and make payments to contractors to provide this service on your behalf, use this formula to work out if you are exempt from reporting these payments in a *Taxable payments annual report:*

$$\frac{\text{Total payments you receive for supplies of courier services in the current financial year}}{\text{Total current or projected GST turnover of your business}} \times 100$$

55. These terms are explained in paragraphs 60 to 62 of this draft Ruling.

[10] See Schedule 2 Part 2 subclauses 3(2) and 3(3) of the Bill.

56. If the answer you get from using this formula is less than 10%, then you do not have to report these payments in a *Taxable payments annual report*.

Working out if you are exempt – cleaning services

57. If you supply a cleaning service and make payments to contractors to provide this service on your behalf, use this formula to work out if you are exempt from reporting these payments in a *Taxable payments annual report:*

$$\frac{\text{Total payments you receive for supplies of cleaning services in the current financial year}}{\text{Total current or projected GST turnover of your business}} \times 100$$

58. These terms is explained in paragraphs 60 to 62 of this draft Ruling.

59. If the answer you get from using this formula is less than 10%, then you do not have to report these payments in a *Taxable payments annual report*.

How to calculate the total payments you receive from supplies of courier or cleaning services in the current financial year

60. When you calculate the total payments you receive for supplies of courier or cleaning services for the current financial year, you must include all payments you receive for supplies of courier or cleaning services you make, regardless of whether an employee of yours or a contractor performed those services for you.[11]

61. If your business supplies both courier and cleaning services, you need to work out if you are exempt for courier services and cleaning services separately using the formulas in paragraphs 54 and 57 of this draft Ruling. In the event you are exempt from reporting contractor payments for courier services but not cleaning services, you only need to report contractor payments for cleaning services, and vice versa.[12]

How to calculate your current or projected GST turnover

62. Your 'current GST turnover' for the purposes of the formulas is your GST turnover for the current financial year, provided you have been operating as a business for at least 12 months. If you have been operating as a business for less than 12 months, then you must use 'projected GST turnover' in the formulas. Your 'projected GST turnover' for the purposes of the formulas is your likely GST turnover for the following financial year.[13]

Example 14 – a take away restaurant charging for some deliveries

63. *Wai's Pizza has an ABN and operates a dine-in and take away pizza restaurant in Perth. Wai's Pizza also offers a delivery service for customers' orders. It charges $10 for deliveries of orders under $50 in value. Orders valued at $50 or more are delivered free of charge. Because Wai's Pizza is offering a delivery service in addition to its dine-in and take away services, it is supplying a courier service when it delivers customers' orders. Wai's Pizza uses contractors to deliver pizzas to customers.*

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[11] See Schedule 2 Part 2 paragraphs 3(2)(a) and 3(3)(a) of the Bill.
[12] See paragraph 2.24 of the Revised Explanatory Memorandum to the Bill.
[13] See Schedule 2 Part 2 subclause 3(7) (definition of **relevant GST turnover**) of the Bill. See also Goods and Services Tax Ruling GSTR 2001/7 *Goods and services tax: meaning of GST turnover, including the effect of section 188-25 on projected GST turnover.*

64. *For the 2018–2019 financial year, Wai's Pizza's current GST turnover was $100,000 and it received $5,000 in delivery fees from orders less than $50. In calculating its total payments received for courier services in 2018–2019, Wai's Pizza does not include any amount for the delivered orders valued $50 or more because it did not receive any delivery fees from those orders. The $5,000 received in delivery fees represents 5% of the current GST turnover for Wai's Pizza for that year. Wai's Pizza is therefore exempt from lodging a Taxable payments annual report for the 2018–2019 financial year.*

Example 15 – a business providing cleaning and other services

65. *Jehan and Bhuvan Building Services (JBBS) has an ABN and provides a range of building maintenance services, including office cleaning. The office cleaning can be identified separately from the other building maintenance services it provides, so this means JBBS are supplying a cleaning service when it provides office cleaning as part of its building maintenance services. JBBS uses both employees and contractors to perform the office cleaning work.*

66. *In the 2018–2019 financial year, the total current GST turnover for JBBS is $100,000. When calculating what payments it received for cleaning services in 2018–2019, JBBS works out that it received $10,000 for cleaning services (out of the $100,000 it received for all property maintenance services for that year). The payments it received for cleaning services in 2018-2019 represent 10% of its total current GST turnover for that year. Therefore JBBS is not exempt from reporting the payments it made to its cleaning contractors in a Taxable payments annual report for 2018-2019.*

67. *JBBS also calculates that they paid $5,000 to their cleaning contractors in the 2018–2019 financial year. Because the exemption is worked out based on payments the business receives, rather than the payments it makes, JBBS does not use the $5,000 figure in the exemption formula. This $5,000 figure must be included in a Taxable payments annual report as payments to contractors for providing cleaning services.*

Example 16 – a business that has been operating for less than 12 months

68. *Alphonso Cleaning Agents Pty Ltd has an ABN and is a cleaning agency that supplies cleaning services to customers in Adelaide. It hires contractors to undertake cleaning activities.*

69. *Alphonso Cleaning Agents has only been operating for 6 months by the time the 2018–2019 financial year ends. Because of this, it is required to determine its projected GST turnover for the 2019–2020 financial year when working out if it is exempt from reporting its payments to cleaning contractors.*

70. *Alphonso Cleaning Agents expects its projected GST turnover in 2019–2020 to be $90,000. The payments it has received for its cleaning services in the 2018–2019 financial year amount to $36,000. This represents 40% of its projected GST turnover for the 2019–2020 financial year. Alphonso Cleaning Agents is required to report payments it made to its cleaning contractors in a Taxable payments annual report for the 2018–2019 financial year.*

Example 17 – a business that provides both courier and cleaning services (exempt from reporting payments to courier contractors but not cleaning contractors)

71. *Best Cleaners and Couriers Pty Ltd has an ABN and is a company that runs separate cleaning and parcel delivery agencies. Its cleaning agency supplies cleaning services to homes, while its parcel delivery agency supplies courier services to small businesses. Best Cleaners and Couriers hires contractors to provide cleaning services to its cleaning agency and courier services to its parcel delivery agency.*

72. *Best Cleaners and Couriers has a current GST turnover in 2018–2019 of $1 million. Best Cleaners and Couriers works out that it received $950,000 from customers of its cleaning agency for cleaning services. This represents 95% of the current GST turnover for Best Cleaners and Couriers in that year. Best Cleaners and Couriers is not exempt from reporting the payments it made to its cleaning contractors in a Taxable payments annual report for the 2018–2019 financial year.*

73. *Best Cleaners and Couriers received $50,000 from customers of its parcel delivery agency for courier services in 2018–2019. This represents 5% of its current GST turnover for that year. Best Cleaners and Couriers is exempt from reporting the payments it made to its delivery contractors in a Taxable payments annual report for the 2018–2019 financial year.*

Payments you don't need to report

74. There are specific payments you don't report on the *Taxable payments annual report*:

- payments for materials only
- invoices unpaid as at 30 June each year
- PAYG withholding payments, such as those you make to employees or under a voluntary agreement to withhold[14]
- payments within consolidated groups[15]
- payments made by individuals for private or domestic reasons.

Example 18 – mixed personal and business payments

75. *Svetlana has an ABN and is a sole trader who runs her own cleaning agency. The reporting exemption does not apply to her business. Clients contact her asking for their homes and offices to be cleaned. Svetlana keeps a list of contract cleaners she engages and pays for each cleaning job. Svetlana also asks one of these contractors to clean her own home and pays the contractor for this from her personal bank account.*

76. *Svetlana is required to report the payments made to contractors that undertake cleaning services for her clients. Svetlana is not required to report the payment made to the contractor for cleaning her own home, as this is a payment made by Svetlana in her private capacity and not as part of her business.*

Commissioner of Taxation
1 August 2018

[14] See Schedule 2 Part 1 clause 1 of the Bill.
[15] See Schedule 2 Part 1 clause 1 of the Bill.

Your comments

77. You are invited to comment on this draft Ruling including the proposed date of effect. Please forward your comments to the contact officer by the due date.

78. A compendium of comments is prepared for the consideration of the relevant Public Advice and Guidance Panel or relevant tax officers. An edited version (names and identifying information removed) of the compendium of comments will also be prepared to:

- provide responses to persons providing comments
- be published on the ATO website at www.ato.gov.au.

79. Please advise if you do not want your comments included in the edited version of the compendium.

Due date: **14 September 2018**

Contact officer details have been removed following publication of the final ruling.

References

ATOlaw topic(s)	Administration ~~ Other
Legislative references	ANTS(GST)A 1999 ANTS(GST)A 1999 9-5
Related Rulings/Determinations	GSTD 2002/3 GSTR 2001/7 GSTR 2001/8 GSTR 2006/9
Other references	Budget Paper No. 2: Budget Measures 2018–2019 Treasury Laws Amendment (Black Economy Taskforce Measure No. 1) Bill 2018 Revised Explanatory Memorandum to the Treasury Laws Amendment (Black Economy Taskforce Measure No. 1) Bill 2018
ATO references	1-CDEXSHD
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