



## *What are the tax reporting obligations for your business?*

*Congratulations! You've started a business. Or maybe you've been running your business for a while. You might have even changed your business structure because you've grown. Whatever has happened, you'll need to make sure you're dotting your 'i's' and crossing your 't's' when it comes to your tax and employee obligations with the Australian Taxation Office (ATO).*

### **Single Touch Payroll (STP)**

From July 1st 2019, Australian businesses with fewer than 20 employees were required to lodge their reports with the ATO using Single Touch Payroll (STP) software.

Micro businesses (those with fewer than 5 employees) are able to use alternative reporting options such as using a tax or BAS agent and are able to report quarterly rather than every payroll period.

If you are a small business that employs family members, it will not be a requirement to report using STP through the 2019 / 2020 period.

Using STP, Australian business will be required to report salaries and wages, Pay As You Go withholding (PAYGW) and superannuation directly to the ATO in each payroll period. Quality accounting software have already incorporated STP into their platforms and can be performed quickly and easily.

### **How do you get STP ready?**

Becoming STP compliant may mean large or small changes. If you're currently using a manual/hard copy records keeping system, you may need to become electronic for your payroll process. There are a number of low cost solutions available.

If you're already using an electronic payroll program, you'll need to make sure they have upgraded to include an STP function. Many of the larger software programs already have the function in use.

You can use a tax agent to report your STP. This is a good idea if you're not quite sure about your record keeping. Using a tax agent will not only keep you compliant, but will also advise what you'll need to do to become tax compliant.

### **Monthly, quarterly or annual Business Activity Statements (BAS)**

If your business earns over \$75,000 per annum, you'll be required to lodge a BAS. Depending on the nature and income your business generates, you'll need to lodge your BAS either monthly, quarterly or annually.

| Income   | Reporting period |
|--|------------------|
| GST turnover is more than \$20 million                                     | Monthly          |
| GST turnover is less than \$20 million                                     | Quarterly        |
| GST turnover is less than \$75,000 or \$150,000 for not-for-profit bodies. | Annually         |

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When you complete your BAS form, you'll need to report your Goods and Services Tax (GST), Pay As You Go (PAYG) instalments, PAYG withholding tax and other tax obligations.

You'll also need to register for an Australian Business Number (ABN), and to collect GST. The ATO will automatically send you a BAS lodgement notice. All businesses registered for GST must lodge a BAS before the nominated due date.

Businesses without the need to collect GST may need to lodge an Instalment Activity Statement (IAS) for their PAYG instalment obligations.

## What are the reporting periods to lodge your BAS?

If your business is required to lodge a monthly BAS, the due dates is the 21st of the month, following the taxable period. For example, you would need to lodge your July BAS by the 21 August. Schools and associated bodies are granted a deferral of their December BAS, which will need to be issued by the 21 February.

## The quarterly lodgement period is:

| Quarter                           | Due dates for each quarter |
|-----------------------------------|----------------------------|
| 1. July, August and September     | 28 October                 |
| 2. October, November and December | 28 February                |
| 3. January, February and March    | 28 April                   |
| 4. April, May and June            | 28 July                    |

The annual BAS lodgement date is the 31 October. If you use a registered BAS or tax agent, the different dates may apply.

## Final Year Reporting

In Australian, the taxation year runs from 1 July to 30 June. Businesses (as well as individuals) are required to lodge their annual tax returns during the 1 July to 31 October period. If you're a sole trader, you can declare your business income as a part of your personal income tax return.

It can be difficult setting up your record keeping without a bookkeeping background. If you need help getting started or you've outgrown your current processes, ITP can help with your business records and set up the best system for you.

ITP The Income Tax Professionals have looked after Australian businesses for 50 years and offer tax as well as bookkeeping services. If you have any question or need help, reach out and speak with a Professional today.

*ITP The Income Tax Professionals are more than tax agents. They have been helping Australian individuals and businesses with their business accounting and advice for 50 years and offer a wealth of knowledge. Speak to a Professional today and see how your business can be more profitable.*



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