



# MYOB EXO BUSINESS QUICK GUIDE

Taxable Payments for the Building &  
Construction Industries



MYOB ENTERPRISE SOLUTIONS

# Contents

1	Introduction .....	3
2	From the ATO .....	3
2.1	Who needs to report.....	3
2.2	Details you need to report.....	3
2.3	Payments you need to report .....	4
2.4	Payments you do not need to report.....	5
2.5	When to report .....	5
3	Setup Required.....	6
3.1	Company Profile.....	6
3.2	Master Data .....	6
3.3	Menu Definition .....	6
4	Recording the Transactions .....	8
4.1	Single Creditor Payment .....	8
4.2	Creditor Payment Processor .....	9
4.3	Creditor Invoice Entry Payments Tab.....	10
4.4	Editing Payment Reference Fields .....	11
5	Reports and Lodgement.....	12
5.1	Taxable Paymnets Reporting Worksheet.....	12
5.2	Taxable Paymnets Annual Report (Detailed) .....	13
5.3	Taxable Paymnets Annual Report (Worksheet).....	14
5.4	Lodgement .....	15

## Introduction

---

EXO Business version 8.6 service pack 1 introduced a new compliance feature required by businesses in the building and construction industry that pays contractors for building and construction services.

This quick guide will inform the reader to the current ATO requirements, setup required, recording taxable payment transactions and the reports included.

## From the ATO

---

“From 1 July 2012, businesses in the building and construction industry need to report the total payments they make to each contractor for building and construction services each year. You need to report these payments to us on the Taxable payments annual report.

## Who Needs to Report

From 1 July 2012, you need to report if all of the following apply:

- You are a business that is in the building and construction industry
- You make payments to contractors for building and construction services
- You have an Australian business number (ABN).

## Details You Need to Report

For each contractor, you need to report the following details each financial year:

- Australian business number (ABN), if known
- Name
- Address
- Gross amount you paid for the financial year (this is the total paid including GST)
- Total GST included in the gross amount you paid.

The details you need to report will generally be contained in the invoices you receive from your contractors.

You can download and print a blank worksheet that may help you to complete the Taxable payments annual report from [www.ato.gov.au/taxablepaymentsreporting](http://www.ato.gov.au/taxablepaymentsreporting).

## Payments You Need to Report

You will need to report payments you make to contractors for building and construction services. Building and construction services include any of the activities listed below if they are performed on, or in relation to, any part of a building, structure, works, surface or sub-surface.

- Alteration
- Assembly
- Construction
- Demolition
- Design
- Destruction
- Dismantling
- Erection
- Excavation
- Finishing
- Improvement
- Installation
- Maintenance
- Management of building and construction services
- Modification
- Organisation of building and construction services
- Removal
- Repair
- Site preparation

For a list of examples of building and construction services, visit our website at [www.ato.gov.au/taxablepaymentsreporting](http://www.ato.gov.au/taxablepaymentsreporting). When your payment is for both labour and materials, you report the whole amount.

## Payments You Do Not Report

These are the following payments that you are not required to report.

- Payments for materials only.
- Any unpaid invoices as at 30 June each year - for example, if you receive an invoice in June 2012, but you do not pay that invoice until sometime in July 2012, you report that payment in 2012-13 Taxable payments annual report
- Payments which are required to be reported in a Pay as you go (PAYG) withholding payment summary annual report, such as payments to employees
- Payments made by home owners for private and domestic projects - for example, payments you make for building or renovating your own home.

## When to Report

The Taxable payments annual report is due 21 July each year.

The first Taxable payments annual report is due 21 July 2013 for payments made in the 2012-13 financial year. In this first year if you lodge your business activity statement quarterly, you may lodge by 28 July 2013.”

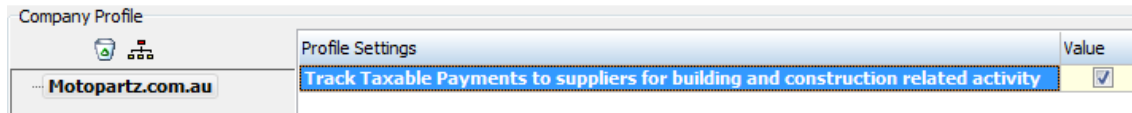
Source: The Australian Tax Office website

Link: <http://www.ato.gov.au/businesses/content.aspx?doc=/content/00319801.htm>

# Setup Required

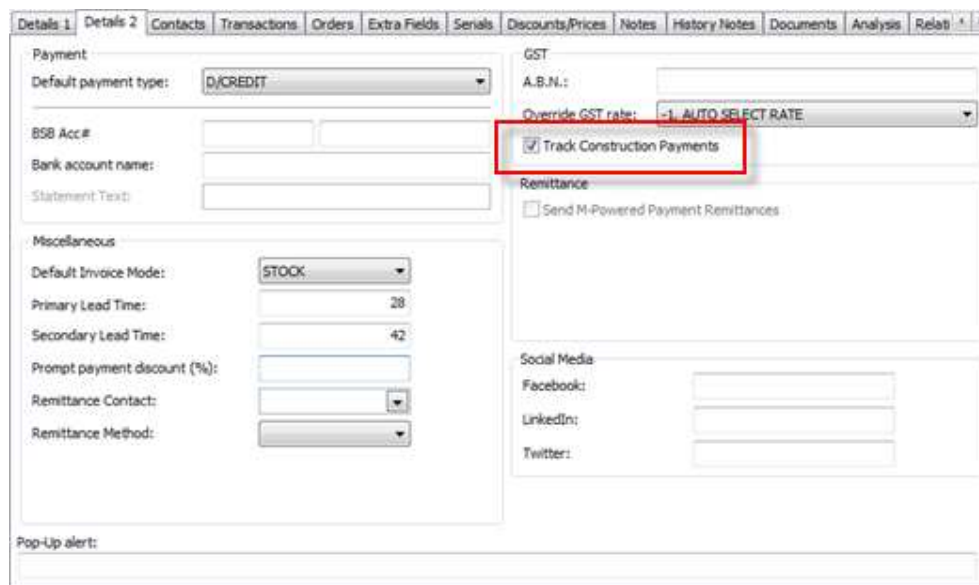
## Company Profile Settings

To enable EXO business to track payments the company profile setting, Track Taxable Payments to suppliers for building and construction related activity, needs to be enabled.



## Creditor Master Data

To select suppliers and contractors so payments made will appear on the Taxable Reporting Payments Worksheet, the option Track Construction Payments must be ticked on Details 2 on the Creditor master data.

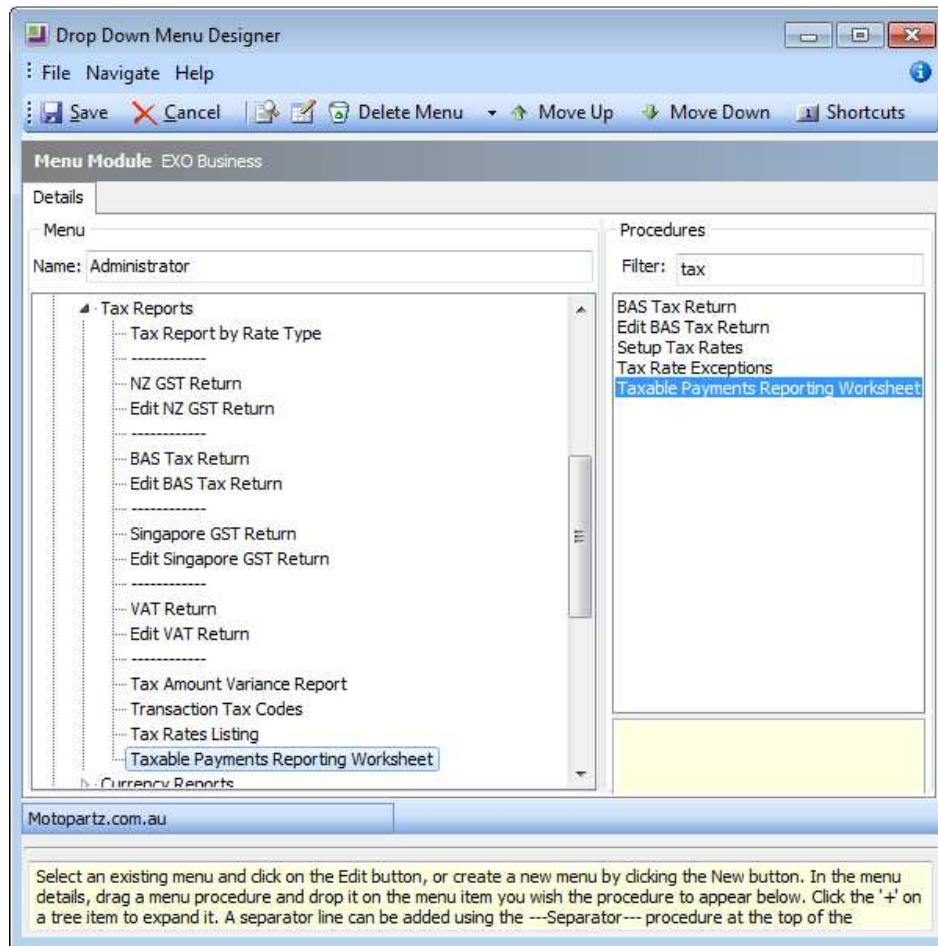


Note: Selecting and saving this option will set all previous payments made to the creditor as a taxable payment.

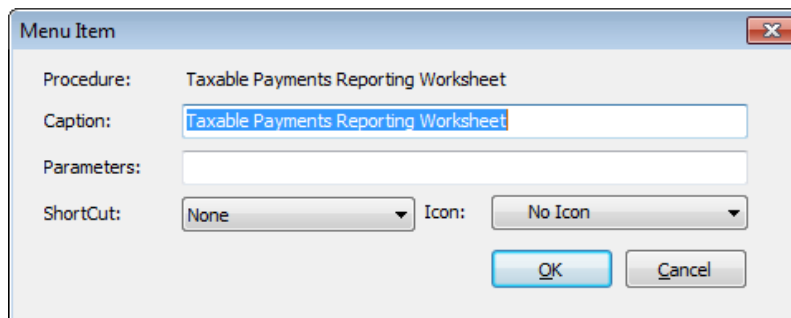
## Menu Definition

The Taxable Payments Reporting Worksheet option needs to be added to either a drop down or business flow menu for users who require this option.

Below shows how the Taxable Payments Reporting Worksheet can be added to a drop down menu path.



Select the procedure Taxable Payments Reporting Worksheet and drag across to the appropriate drop down menu section you want the report to reside.



There are 2 new reports which can be accessed from within the Taxable Payments Reporting Worksheet via the print option, or they can be added to either a drop down menu and/or business flow menu. They are;

**Taxable Payments Details** (CITP\_Details.CLF) – this report displays all of the transactional details of all taxable payments for the selected Creditor over the selected year or period/date range.

**Taxable Payments Return** (CITP\_TaxReturn.CLF) – this report displays, for each Creditor over the selected year or period/date range, the information that needs to be entered on the Taxable payments annual report. Information is summarised and presented in a form that is directly transposable to the Taxable Payments Annual Report form.

## Recording the Transactions

It is only creditor payments that are affected by this legislation. Let's discuss each of the creditor payment method used within EXO Business.

### Single Creditor Payments

When entering payments through the single creditor payment option all suppliers that have the setting Track Construction Payments enabled on the Details 2 tab of the suppliers master data will have a further option available.

The option Taxable Payment by default will be switched on. You will be required to disable this option should the invoice be for goods or services that fall outside the scope of what is reportable.

Aged Balances:	
Current:	22000.00
1 months:	0.00
2 months:	0.00
3+ months:	0.00
Balance:	22000.00

**Note:** All elements of the payment made to the creditor will be included as a taxable payment. Where elements should not be included as a taxable payment make a part payment and un-tick the taxable payment field.



## Creditor Payment Processor

When processing payments using the Creditors Payment Processor utility, transactions are automatically marked as taxable if the Creditor account they relate to has its Track Taxable Payments option enabled.

Acc No	Name	No Invs	Released	Total	To Pay	Curr
26	AUSTRALIAN BUILDING SUPPLIES	2	2	28600.00	Y	0. AUD

Note: All elements of the payment made to the creditor will be included as a taxable payment. Where elements should not be included as a taxable payment, use the single creditor payment function and un-tick the taxable payment field.

## Creditor Invoice Entry Payments Tab

Payments made through the Payments tab on the Creditor Invoice Entry screen are automatically marked as taxable if the Creditor account they relate to has its Track Taxable Payments option enabled.

Payment Type	Amount	Cheque No./Ref	Analysis Codes
D/CREDIT	17600.00		

<b>Invoice Totals:</b>	Sub total:	16,000.00	Payments:	17600.00
Manual Rounding: 0.00	GST total:	1,600.00	Outstanding:	0.00
	Invoice total:	17,600.00	Change:	0.00

MYOB EXO TRAINING AU

Note: All elements of the payment made to the creditor will be included as a taxable payment. Where elements should not be included as a taxable payment, use the single creditor payment function and un-tick the taxable payment field.

## Editing Taxable Payment Field

Once payments have been made it is possible to change the taxable payment status afterwards from with the taxable payments reporting worksheet.

You need to select the creditor, apply a suitable filter, mark the option Show payments and press search.

The screenshot shows the 'Taxable Payments Reporting Worksheet' window. At the top, there are menu options (File, Help, Print) and filter criteria (Current Year). Below this is a table of accounts with columns for Account, Name, ABN, Taxable Payments, and Non Taxable Payments. The total taxable payments are \$114,125.25 and non-taxable payments are \$15,400.00. Below this is a detailed transaction table with columns for Taxable, Trans #, Date, Transaction, InvNo, Amount, Status, Auth, Taxrate, and GST. A context menu is open over the transaction table, with 'Edit Ref Fields' selected.

Account	Name	ABN	Taxable Payments	Non Taxable Payments
5	CAR-PART.COM		\$8,513.95	\$0.00
9	RAINBOW AUTO PARTS		\$0.00	\$0.00
19	CROWN MOTORS ENTERPRISES		\$27,511.30	\$0.00
26	AUSTRALIAN BUILDING SUPPLIES		\$76,100.00	\$15,400.00
			<b>\$114,125.25</b>	<b>\$15,400.00</b>

Taxable	Trans #	Date	Transaction	InvNo	Amount	Status	Auth	Taxrate	GST
Y	260	31.05.2013	Payment		\$22,000.00	Current Allocated	N	10	\$2,200.00
Y	263	12.05.2013	Payment	00021	\$17,600.00	Unallocated	N	0	\$0.00
Y	271	31.05.2013	Payment		\$28,600.00	Current Allocated	N	0	\$0.00
Y	273	30.05.2013	Payment		\$9,900.00	Current Allocated	N	10	\$990.00
N	286	03.05.2013	Payment		\$15,400.00	Current Allocated	N	10	\$1,540.00
					<b>\$93,500.00</b>				<b>\$4,730.00</b>

Items that are marked as not taxable will be highlighted. To change the payment taxable status you can either select the transaction and press the SPACE bar or right click and choose the option Edit Ref Fields. In the new screen you can then change the Taxable Payment status.

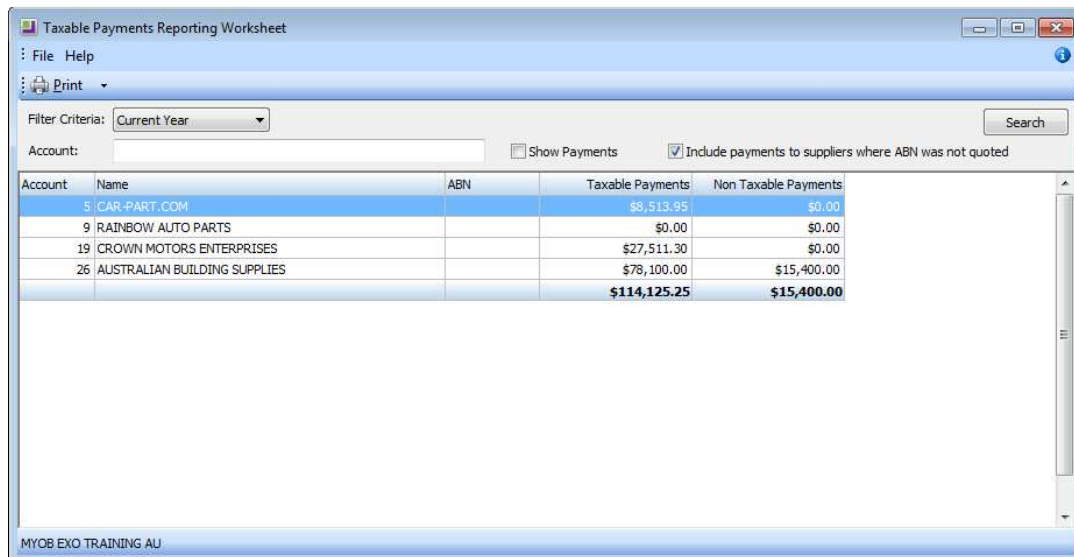
The screenshot shows the 'Edit Transaction Reference' window. It displays the account '26. AUSTRALIAN BUILDING SUPPLIES' and transaction reference '273'. The 'Trans Date' is '30/05/2013' and the 'Reference' is 'CHEQUE'. The 'Amount' is '-\$9,900.00'. The 'Taxable Payment' checkbox is checked and highlighted with a red box.

**Note:** Access to the **Edit Ref Fields** option is controlled by the **Permitted level of access to creditor transaction editing** profile setting. This setting is ignored when using the taxable payments reporting worksheet.

# Reporting and Lodgement

## Taxable Payments Reporting Worksheet

The taxable payments reporting worksheet provides a detail summary of the taxable and non-taxable payments made. Initially, the worksheet displays all Creditors whose Track Construction Payments option is enabled, and the period selected is the current year.



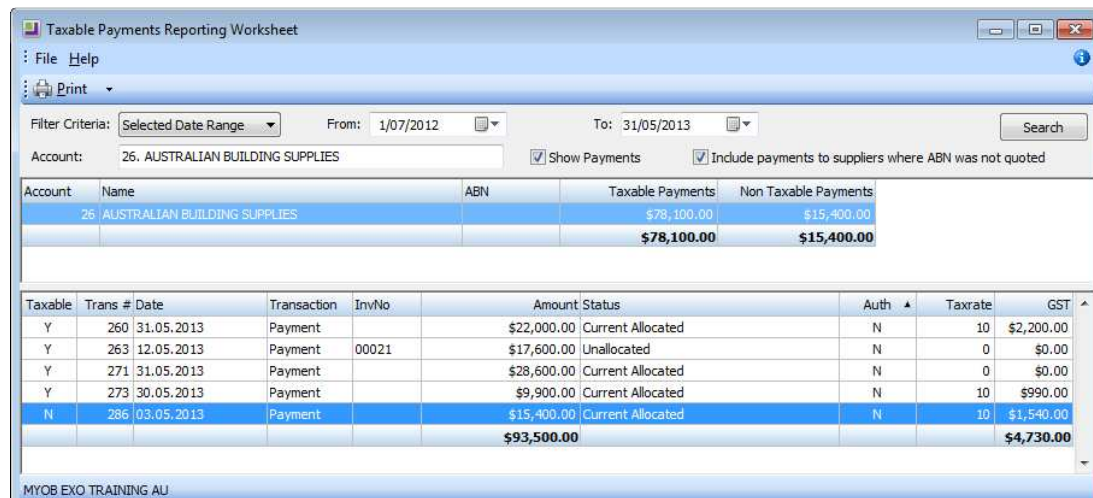
The screenshot shows the 'Taxable Payments Reporting Worksheet' window. The 'Filter Criteria' is set to 'Current Year'. The 'Account' filter is empty. The 'Show Payments' checkbox is unchecked, and the 'Include payments to suppliers where ABN was not quoted' checkbox is checked. The summary table is as follows:

Account	Name	ABN	Taxable Payments	Non Taxable Payments
5	CAR-PART.COM		\$8,513.95	\$0.00
9	RAINBOW AUTO PARTS		\$0.00	\$0.00
19	CROWN MOTORS ENTERPRISES		\$27,511.30	\$0.00
26	AUSTRALIAN BUILDING SUPPLIES		\$78,100.00	\$15,400.00
			<b>\$114,125.25</b>	<b>\$15,400.00</b>

The worksheet has the capability to filter on current or previous year. Alternatively the date filter can be set to either a period or date range.

You can also limit the information shown to an individual account by entering the account details into the account filter.

The option Show Payments will provide the details of the payments that make up the totals on the taxable and non-taxable payments.



The screenshot shows the 'Taxable Payments Reporting Worksheet' window with 'Filter Criteria' set to 'Selected Date Range' from '1/07/2012' to '31/05/2013'. The 'Account' filter is set to '26. AUSTRALIAN BUILDING SUPPLIES'. The 'Show Payments' checkbox is checked, and the 'Include payments to suppliers where ABN was not quoted' checkbox is checked. The summary table is as follows:

Account	Name	ABN	Taxable Payments	Non Taxable Payments
26	AUSTRALIAN BUILDING SUPPLIES		\$78,100.00	\$15,400.00
			<b>\$78,100.00</b>	<b>\$15,400.00</b>

Taxable	Trans #	Date	Transaction	InvNo	Amount	Status	Auth	Taxrate	GST
Y	260	31.05.2013	Payment		\$22,000.00	Current Allocated	N	10	\$2,200.00
Y	263	12.05.2013	Payment	00021	\$17,600.00	Unallocated	N	0	\$0.00
Y	271	31.05.2013	Payment		\$28,600.00	Current Allocated	N	0	\$0.00
Y	273	30.05.2013	Payment		\$9,900.00	Current Allocated	N	10	\$990.00
N	286	03.05.2013	Payment		\$15,400.00	Current Allocated	N	10	\$1,540.00
					<b>\$93,500.00</b>				<b>\$4,730.00</b>

The show payments EXO grid offers the ability to select the visible columns, column position and also the sorting method.

Taxable	Trans #	Date	Transaction	InvNo	Amount	Status	Auth	Taxrate	GST
Y	260	31.05.2013	Payment		\$22,000.00	Current Allocated	N	10	\$2,200.00
Y	263	12.05.2013	Payment	00021	\$17,600.00	Unallocated	N	0	\$0.00
Y	271	31.05.2013	Payment		\$28,600.00	Current Allocated	N	0	\$0.00
Y	273	30.05.2013	Payment		\$9,900.00	Current Allocated	N	10	\$990.00
N	286	03.05.2013	Payment				N	10	\$1,540.00
									<b>\$4,730.00</b>

Edit Ref Fields  
 View Allocation Info

Within the EXO grid you can select a record and a right click offers the end use to view the allocation information or edit the reference field.

Editing the reference field also allows the payment to be marked or unmarked as taxable.

The Taxable can also be changed by selecting the record and pressing the keyboard SPACE bar.

## Taxable Payments Annual Report (Detailed)

This report (CITP\_Details.CLF) differs from the Taxable Payments Annual Report (Worksheet) by including the payment details into Section C of the report.

---

### Section C: Payee Details

---

Payee's ABN :	NO ABN ENTERED <span style="color: red;">Invalid ABN !</span>	Account No : 8
Payee's Name :	AUSSIE CAR PARTS	Alpha Code : AUSCAR01
Payee's Address :	PRIVATE BAG 12 BRISBANE QLD AUSTRALIA	Tax Rate : 0.00 %

Date	Details	Withholding	GST	Gross Amount Paid
05/03/2012	CHEQUE 4			\$9,379.50
09/22/2012	CHEQUE 50			\$799.80
10/23/2012	CHEQUE 60			\$754.25
12/25/2012	CHEQUE 70			\$239.70
12/25/2012	CHEQUE 78			\$1,212.40
		<b>Total Tax Withheld where ABN was not Quoted</b>	<b>Total GST</b>	<b>Gross Amount Paid (Including GST Plus any Tax Withheld)</b>
<i>Note: Report only whole dollar amounts</i>		<b>\$0</b>	<b>\$0</b>	<b>\$12,386</b>

---

This sheet will provide the payment transactions that build the balance and would normally be used for final review before submitting your taxable payments to the Australian Tax Office.

## Taxable Payments Annual Report (Worksheet)

When ready to report taxable payments to the Australian Tax Office the Taxable Payments Annual Report (worksheet) will provide the summary information required to complete the ATO form NAT 74109-05-21012.

### Taxable Payments Annual Report (worksheet)

*Do not submit this report directly to the ATO, use it to complete the NAT 74109-05.21012*

#### Section A: **Payer Details** - this is the business that is making the payment

Payer's ABN : 12-345-678  
Payer's Name : MOTOPARTZ.COM  
Payer's Address : PO BOX 6894  
YORK ST  
SYDNEY  
Payer's Phone Number 02-8234-2800

---

#### Section C: **Payee Details**

---

Payee's ABN :	NO ABN ENTERED <b>Invalid ABN !</b>	<b>Account No :</b> 8
Payee's Name :	AUSSIE CAR PARTS	<b>Alpha Code :</b> AUSCAR01
Payee's Address :	PRIVATE BAG 12 BRISBANE QLD AUSTRALIA	<b>Tax Rate :</b> 0.00 %

Total Tax Withheld where ABN was not Quoted	Total GST	Gross Amount Paid (Including GST Plus any Tax Withheld)
\$0	\$0	\$12,386

When running the report through the taxable payments reporting worksheet, ticking the option Include payments to suppliers where an ABN wasn't quoted checkbox sets the reports to include payments where taxes were withheld or retained and paid to the ATO on the suppliers' behalf.

This is dependent on the use of Withholding Tax on Creditor Payments setting, which is available in the Essential > General Settings section of the EXO Business Configurator. A Creditor may begin the reporting year without an ABN, and then supply an ABN later when trading within the same tax year.

This report (CITP\_TaxReturn.CLF) can be accessed from within the taxable payments reporting worksheet under the print option or the report can be included into a drop down or business flow menu. This report provides the information summarised and presented in a form that is directly transposable to the Taxable Payments Annual Report form.

## Lodgement

The Taxable payments annual report is due 21 July each year.

The first Taxable payments annual report is due 21 July 2013 for payments made in the 2012-13 financial year.

In this first year if you lodge your business activity statement quarterly, you may lodge by 28 July 2013.

The taxable payment annual report can be completed either online or by completing a paper form obtainable from the ATO using the Taxable Payments Annual Report (Worksheet).

If you intend to complete your taxable payment report using a paper form you will need to order the forms after July 1<sup>st</sup> from the ATO directly.