



Business activity statements (BAS)

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/)
- Last modified: 01 Oct 2019
- QC 33678

If you are a business registered for GST you need to lodge a business activity statement (BAS).

Your BAS will help you report and pay your:

- goods and services tax (GST)
- pay as you go (PAYG) instalments
- PAYG withholding tax
- other taxes.

When you register for an Australian business number (ABN) and GST we will automatically send you a BAS when it is time to lodge.

Watch:

Media:Lodging and paying on time

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiunnywwjw> (Duration: 1:04)

Find out about:

- [How to lodge your BAS](#)
- [Due dates for lodging and paying your BAS](#)
- [How to pay your BAS](#)
- [Expecting a refund?](#)
- [BAS and GST tips](#)
- [Fixing BAS mistakes or making adjustments](#)
- [If you can't lodge and pay on time](#)
- [Goods and services tax \(GST\)](#)
- [Pay as you go \(PAYG\) instalments](#)
- [Pay as you go \(PAYG\) withholding](#)
- [Fringe benefits tax \(FBT\) instalment](#)
- [Luxury car tax \(LCT\)](#)
- [Wine equalisation tax \(WET\)](#)
- [Fuel tax credits](#)

- [Instalment notices for GST and PAYG instalments](#)

How to lodge your BAS

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/How-to-lodge-your-BAS/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/How-to-lodge-your-BAS/)
- Last modified: 09 Apr 2021
- QC 33692

You have several options for lodging your business activity statements (BAS) and reporting your goods and services tax (GST), pay as you go (PAYG) instalments, PAYG withholding tax and other taxes to us.

Even if you can't pay by the due date, you still need to lodge your BAS on time. This will give you certainty of your position with us and shows you're aware of your obligations and doing your best to meet them.

On this page:

- [Lodgment options](#)
- [Nothing to report \('nil' BAS\)](#)
- [Where's my BAS?](#)

See also:

- [How to pay your BAS](#)
- [If you are finding it hard to lodge and pay on time](#)
- [Support in difficult times](#)

Lodgment options

Lodge online

Most businesses that lodge their own BAS prepare and lodge online. Lodging your BAS electronically is a quick, easy and secure and means you:

- can lodge at a time that's convenient to you
- may receive an additional two weeks to lodge and pay your BAS – see our [two-week deferral offer](#)
- may get a faster refund
- get help to avoid mistakes
- can review your BAS before lodging, and check that the amount calculated equals what you expect to pay or receive.

How to lodge online

There are several options to lodge online, including:

- [Online services for individuals and sole traders](#) (accessed through myGov) – allows you to manage your tax and super in one place.
- [Online services for business](#) – a secure ATO website used to manage your business tax affairs online.
- [SBR-enabled software](#) – allows secure online lodgment directly from financial, accounting or payroll software, and often integrated with business software that's tailored to specific industries.

See also:

- [Two week lodgment concession – terms and conditions](#)

Lodge through your tax or BAS agent

If you have a registered tax or BAS agent they can lodge, vary, and pay on your behalf through their preferred electronic channel.

When you use an agent:

- they can view BAS and reminder messages sent to you via their online service
- you can still access your BAS through Online services for business or myGov even if your agent is managing them on your behalf.

See also:

- [Find a registered agent](#)[↗]

Lodge by mail

Mail your original, completed BAS, using the pre-addressed envelope provided in your BAS package.

If you make a mistake on your paper BAS, you can use white-out to make changes.

If you misplace the pre-addressed envelope, send your BAS to:

Australian Taxation Office
Locked Bag 1936
ALBURY NSW 1936

If you've lost or haven't received your paper BAS, you can get a copy by phoning us on 13 28 66.

Note: Mail isn't an option if you are lodging your BAS using an online channel.

Nothing to report ('nil' BAS)

You can only use this service if you have nothing to report for the period and need to lodge your BAS as 'nil'.

You can lodge your 'nil' BAS:

- online

- by phone on 13 72 26
 - this is an automated service and you can call anytime (24 hours a day, seven days a week)
 - you will need to have your BAS document identification number (DIN) handy

Where's my BAS?

How you lodge your BAS determines how you receive statements. For example, if you lodge through Online services for business, your next statement will be available there.

If you use our online services, we will notify you by email 21 days before the due date when your BAS is available, so make sure your contact details are up to date.

A single electronic lodgment will change how the next BAS is issued. Once you lodge online, your BAS will be sent electronically.

See also:

- [Update your details](#)

Due dates for lodging and paying your BAS

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Due-dates-for-lodging-and-paying-your-BAS/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Due-dates-for-lodging-and-paying-your-BAS/)
- Last modified: 05 Mar 2020
- QC 33695

The due date for lodging and paying is displayed on your business activity statement (BAS).

If the due date is on a weekend or public holiday, you have until the next business day to lodge and pay.

Your GST reporting and payment cycle will be one of the following.

- Quarterly – if your GST turnover is less than \$20 million – and we have not told you that you must report monthly.
- Monthly – if your GST turnover is \$20 million or more.
- Annually – if you are voluntarily registered for GST and your GST turnover is under \$75,000 (\$150,000 for not-for-profit bodies).

A registered tax or BAS agent can help you lodge your activity statements.

You can set calendar reminders on your phone for lodgment key dates, by using the features in the ATO app.

In the event of a natural disaster you may have a different due date.

See also:

- [Dealing with disasters](#)

Quarterly reporting

If you lodge online, you may be eligible for an extra two weeks to lodge and pay your quarterly BAS.

Due date for each quarter

Quarter	Due date
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

A later lodgment and payment due date does not apply for quarter 2 because the due date already includes a one month extension.

Next steps:

- [How to lodge your BAS](#)
- [How to pay your BAS](#)

See also:

- [Two week lodgment concession – terms and conditions](#)
- [BAS and GST tips](#)
- [Quarterly GST reporting](#)
- [ATO App](#)

Monthly reporting

The due date to lodge and pay your monthly BAS is the 21st day of the month following the end of the taxable period. For example, a July monthly BAS is due on 21 August.

If your GST turnover is \$20 million or more, you must report and pay GST monthly and lodge your activity statements online.

Schools and associated bodies are automatically granted a deferral of their December activity statement. These will be issued with a deferred due date of 21 February.

See also:

- [Monthly GST reporting](#)

Annual reporting

The due date to lodge and pay your annual GST return is 31 October.

If you aren't required to lodge a tax return then the due date is 28 February following the annual tax period.

If you use a registered tax or BAS agent, different dates may apply.

See also:

- [Annual GST reporting](#)

Changing your reporting and payment cycle

Depending on your circumstances, you may be able to change how often you lodge and pay.

If you want to change your reporting and payment cycle early in the lodgment period (for example, in the first month of the quarter or at the beginning of the financial year) you can generally start the new cycle straight away. Otherwise, the new cycle will take effect from the start of the next quarter or year.

See also:

- [Contact us](#) to change your GST reporting and payment cycle.

How to pay your BAS

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/How-to-pay-your-BAS/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/How-to-pay-your-BAS/)
- Last modified: 08 Apr 2021
- QC 33693

The quickest and easiest way to pay your business activity statement (BAS) is with BPAY, a credit card or debit card.

You can also pay using a payment reference number (PRN) if you lodge online.

You must pay on time to avoid paying interest.

Early payments to offset future BAS

To offset your future BAS liability, you can voluntarily make early payments. You will need your PRN, and you can use any of the available payment methods.

Payment reference number (PRN)

A payment reference number (PRN) is your unique identifier that ensures your payment is credited to the correct account. A PRN can also be called an EFT code.

There are different types of PRNs depending on the type of tax you pay. For example, they will be different for your income tax and activity statement.

Find your PRN

For businesses that lodge and pay through Online services for business:

- log in to Online services for business
- select Accounts and payments
- select Accounts summary
- find the relevant PRN and finalise your payment.

For sole traders who lodge and pay through myGov:

- log in to ATO Online services through myGov
- select Tax
- select Accounts
- select Summary
- find the relevant PRN and finalise your payment.

See also

- [How to pay \(other options\)](#)
- [How to lodge your BAS](#)
- [Due dates for lodging and paying your BAS](#)
- [If you are finding it hard to lodge and pay on time](#)

Expecting a refund?

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Expecting-a-refund-/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Expecting-a-refund-/)
- Last modified: 12 Apr 2021
- QC 33702

If you have an Australian business number (ABN) we will pay refunds directly into your nominated financial institution account.

Generally, this account needs to be at an Australian branch and held either:

- in your company, business or trading name (this can also be held jointly with another business or individual)
- by a registered tax agent.

Your financial institution may offer real-time payment services using Osko or PayID.

The ATO is working towards improving the payment options available, but for now:

- the ATO can't pay using a PayID
- refunds from the ATO will not be real-time.

Changing your account details

You can change your account details:

- using our [online services for individuals](#)[↗]
- using [Online services for business](#)
- by phoning us on 13 28 66

See also

- [Where is my BAS refund?](#)

BAS and GST tips

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/BAS-and-GST-tips/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/BAS-and-GST-tips/)
- Last modified: 06 May 2021
- QC 33690

Tips to help you prepare and lodge your business activity statements (BAS) and get your goods and services tax (GST) information right.

On this page

- [BAS and GST record keeping tips](#)
- [GST credits](#)
- [When not to claim GST credits](#)
- [Invoices](#)
- [Avoid manual errors](#)
- [Completing your BAS](#)
- [Lodging and paying your BAS](#)

- [Made a mistake](#)
- [Can't find my BAS](#)
- [Other GST topics](#)

BAS and GST record keeping tips

Watch

Media: video title

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiunjmccbp> (Duration: 02:11)

Keeping good records helps you stay on top of your business. Remember to:

- keep records of all sales, fees, expenses, wages and other business costs
- keep appropriate records, such as stocktake records and logbooks to substantiate motor vehicle claims
- reconcile sales with bank statements
- use the correct GST accounting method
- keep all your tax invoices and other GST records for five years.

See also

- [Detailed business record-keeping requirements](#)
- [Record keeping for business](#)
- [Choosing an accounting method for GST](#)
- [Record keeping evaluation tool](#)

GST credits

- Only claim GST credits on the business portion of purchases, and
 - don't claim GST on private expenses, such as food or entertainment
 - if an item is for business and personal use, only claim the business portion.
- Use the discounted price when claiming GST credits for discounted purchases, even if the discount doesn't appear on the invoice.
- Claim GST credits up front for purchases under hire purchase agreements (entered into on or after 1 July 2012) – if you account for GST on a cash basis.
- Claim GST credits on the Australian dollar value when claiming invoices in a foreign currency.
- If your business changes or ceases you may need to repay some GST credits for business assets you decide to keep.

See also

- [Claiming GST credits](#)
- [When you can claim a GST credit](#)
- [Using trading stock for private purposes](#)
- [GST and insurance](#)
- [GST – Hire purchase and leasing](#)

When not to claim GST credits

Remember not to claim:

- purchases that don't include GST in the price, such as
 - bank fees and charges and stamp duty
 - GST-free items, such as basic foods
- imported goods – unless you're the importer of the goods and import them solely or partly for your business
- purchases made between entities within a GST group. However, you can claim GST credits on purchases between GST branches.

See also

- [Claiming GST credits](#)
- [GST groups and branches](#)

Invoices

Remember to:

- check GST is included on invoices you issue for sales
- only claim GST credits if you have tax invoices for purchases of \$82.50 (including GST) or more
- make sure invoices are only counted once.

See also

- [Tax invoices](#)
- [Withholding from suppliers](#)

Avoid manual errors

It's a good idea to:

- check you are using the correct formulas to work out GST
- have a separate column for GST in your cash book
- make sure that column totals and row totals in your cashbooks are the same
- classify and enter transactions into your accounts payable and accounts receivable systems correctly
- use an electronic record keeping system tailored to your business type. Many systems can help you to streamline your administration tasks.

See also

- [Digital record keeping for businesses](#)

Completing your BAS

When completing your BAS:

- enter whole dollar amounts – leave cents out and don't round up to the next

dollar

- enter each invoice once only
- if you account for GST on a cash basis, your expenses and sales must fall within the period you made or received payment
- only complete the fields that apply to you – if you have nothing to report, enter zero
- if you're doing this manually, double check your figures and calculations
- you can always correct a mistake made on an earlier BAS.

See also

- [Digital record keeping for businesses](#)
- [Accounting for GST on a cash basis](#)
- [Accounting for GST on a non-cash basis](#)
- [Fixing BAS mistakes or making adjustments](#)

Lodging and paying your BAS

When you lodge activity statements and pay:

- The due date for lodging and paying is displayed on your BAS. Lodge and pay on time to avoid penalties.
- If a lodgment date falls on a weekend or public holiday, you can lodge and pay on the next working day.
- Use the right payment reference number (PRN), also referred to as an EFT code, when you make payments to us.
- If you think you might not be able to lodge and pay by the due date, contact us as soon as possible.

See also

- [How to lodge your BAS](#)
- [How to pay your BAS](#)

Refunds

To avoid refund delays:

- ensure your lodgments are up to date – we can't process refunds until all outstanding BAS are lodged
- check your financial institution details are correct.

See also

- [Expecting a refund?](#)

Made a mistake

If you made a mistake on your activity statement, don't worry – mistakes can be fixed.

Most mistakes can be corrected on your next activity statement.

If an adjustment event occurs, make an adjustment on your activity statement.
Examples of adjustment events include:

- if the price of a sale or purchase changes
- if goods are returned and the sale is cancelled.

If you use the accounts method, you report these amounts on your activity statement for:

- an increasing adjustment at Label 1A GST on sales
- decreasing amounts at Label 1B GST on purchases.

A four-year time limit applies to claiming credits and refunds.

See also

- [Fixing BAS mistakes or making adjustments](#)

Can't find my BAS

Online activity statements are generally available one week after the [generation date](#). It may take up to three weeks to receive your activity statements if sent by post.

If you lodge:

- online – you can find your BAS under 'Not lodged' or 'History'
- by paper – you don't get the benefit of an extra two weeks to lodge your BAS and pay your GST. If you need a new form, you need to [Contact us](#).

You can't use a sample activity statement to lodge as it isn't unique to you.

Other GST topics

See also

- [GST at settlement](#)
- [Common GST errors – importing or exporting goods and services](#)
- [GST and fundraising](#)
- [GST and business systems: large business](#)
- [GST and motor vehicles](#)
- [If your business changes or ceases](#)
- [Your industry](#)

Fixing BAS mistakes or making adjustments

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Fixing-](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Fixing-)

[BAS-mistakes-or-making-adjustments/](#)

- Last modified: 31 Mar 2021
- QC 43304

Correcting a mistake made on an earlier BAS is different to making an adjustment.

- An error or mistake relates to an amount that was incorrect at the time of lodgment.
- An adjustment relates to a reported sale or purchase that was correct at the time of lodgment, but something occurred later that changed the amount of reported GST.

When to fix a mistake

Examples of mistakes include:

- Clerical or transposition errors
- Classifying a GST-free sale or purchase as taxable
- Classifying a taxable sale or purchase as GST-free
- Double counting some of your purchases.

How to fix a mistake

You can fix a mistake on your next BAS or revise the original BAS. Conditions apply depending on if it's a credit or debit error.

Many mistakes relating to GST and fuel tax credit can be corrected in your next BAS. If you can't correct your mistake in your next BAS, you need to lodge a revision.

See also:

- [Credit error](#)
- [Debit error](#)
- [Revising an earlier activity statement](#)

When to make an adjustment

When you become aware of the need for an adjustment, you generally report it in the activity statement for your current reporting period.

Examples of when to make an adjustment:

- If the price of a sale or purchase changes
- If goods are returned and the sale is cancelled.

See also:

- [When to make adjustments](#)
- [Fuel tax credits – making adjustments and correcting errors](#)

How to lodge your changes

You can do this by:

- Businesses can use
 - [Online services for business](#)
 - [Standard Business Reporting \(SBR\)](#) enabled software
- Sole traders can also use Online services for business, SBR or [online services for individuals](#) (you will need a myGov account linked to the ATO)
- phoning us on 13 28 66 to get a revision form.

Your registered tax or BAS agent can also assist via online services.

See also:

- [Online Services for agents](#)
- [Online services for business](#)
- [Find a registered tax or BAS agent](#)[↗]

If you are finding it hard to lodge and pay on time

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/What-if-you-can-t-lodge-and-pay-on-time/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/What-if-you-can-t-lodge-and-pay-on-time/)
- Last modified: 18 Dec 2020
- QC 33687

We understand that there may be a time when you're finding it hard to lodge or pay by the due date. If you're having difficulty, we can help you. Contact us as soon as possible before the due date and we will work with you to find a solution.

It is important to remember that it is your responsibility to meet your obligations, even if you use a tax agent. You can have an authorised representative or your tax agent contact us to discuss your situation.

It is important to lodge on time as this ensures that your information is up to date, which provides you with certainty of the amount you need to pay.

If you need help, contact us to discuss your circumstances so we understand your situation and can tailor our approach.

A penalty may apply if you fail to lodge on time, so – even if you need extra support to pay – lodge on time or contact us to discuss support options.

If you are finding it hard to pay by the due date, you may be able to enter into a payment plan.

Use our online payment plan estimator to work out a payment plan you can afford. You can also use it to find out how quickly you can pay off a tax debt and how much interest you'll be charged. A general interest charge (GIC) will apply to any amount not paid by the due date. Once you have worked out a suitable payment scenario based on your circumstances, you can use it as a guide to set up a payment plan.

Next steps:

- [Help with paying](#)

See also:

- [Payment plan estimator](#)
- [Failure to lodge on time penalty](#)
- [Phone us](#)

Goods and services tax (GST)

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Goods-and-services-tax-\(GST\)/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Goods-and-services-tax-(GST)/)
- Last modified: 01 Apr 2020
- QC 33681

Goods and services tax (GST) is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia.

If you are a business, you use a BAS to:

- report and pay the GST your business has collected
- claim GST credits.

Find out about:

- [Adjusting GST](#)
- [GST reporting methods](#)
- [Simpler BAS GST bookkeeping guide](#)
- [Monthly GST reporting](#)
- [Quarterly GST reporting](#)
- [Annual GST reporting](#)
- [Completing your BAS for GST](#)

See also:

- [GST](#)

Adjusting GST

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Goods-and-services-tax-\(GST\)/Adjusting-GST/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Goods-and-services-tax-(GST)/Adjusting-GST/)
- Last modified: 04 Apr 2017
- QC 33701

You may need to make adjustments that change the amount of GST you're liable to pay.

You may have an adjustment if one of the following occurs:

- the price of a sale or a purchase changed - for example, you provide a discount to a customer or receive a rebate from a seller
- a taxable sale you made, or a purchase you're entitled to a GST credit for, is cancelled (for example, where goods are returned)
- you write off a bad debt or you recover a previously written-off bad debt
- your actual use of a purchase or importation for business purposes differs from your intended use.

There are also other circumstances where you may be required to make an adjustment, such as when you:

- cease registration
- sell something you used for making financial supplies.

See also:

- [GST - Making adjustments on your BAS](#)
- [What happens if you've made a mistake?](#)

GST reporting methods

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Goods-and-services-tax-\(GST\)/GST-reporting-methods/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Goods-and-services-tax-(GST)/GST-reporting-methods/)
- Last modified: 15 Apr 2021
- QC 48878

The goods and services tax (GST) reporting method you use is based on your business's GST turnover and other reporting requirements:

- If your GST turnover is less than \$10 million
 - you generally report GST using the default Simpler BAS reporting method
 - if your aggregated turnover is greater than \$10 million, or you make input taxed supplies as your main business or enterprise activity, you have the

- option to use either Simpler BAS or the GST full reporting method
 - if you pay GST instalments quarterly and report annually, you may use the GST instalment method.
- If your GST turnover is \$10 million or more
 - you report GST using the full reporting method.

The GST turnover figure we use to determine your GST reporting method is obtained from your ATO records. It was previously advised by you (at GST registration or subsequently).

Your GST reporting method will generally be rolled over at the end of each financial year based on your GST turnover. You can contact us to change your GST reporting method.

On this page:

- [Simpler BAS](#)
- [GST instalment method](#)
- [Full reporting method](#)
- [If your GST turnover changes](#)

Simpler BAS

Simpler BAS is the default reporting method for small businesses with a GST turnover of less than \$10 million. This means:

- you don't need to complete a GST calculation worksheet
- if you lodge a paper activity statement or annual GST return, the sections where information is not needed can be left blank.

What to report

On your monthly or quarterly activity statement, or your annual GST return, you must report the following GST information:

- G1 Total sales
- 1A GST on sales
- 1B GST on purchases.

Watch:

Media: Simpler BAS

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiub5aitrn> (Duration: 01:54)

GST instalment method (under \$10 million)

If your GST turnover is less than \$10 million and you pay GST instalments quarterly and report annually, a GST instalment amount shows on your activity statement.

What to report

On your annual GST return, you must report the following GST information:

- G1 – Total sales
- 1A – GST on sales
- 1B – GST on purchases
- 1H – GST instalment amounts reported in your quarterly instalment notices for the period shown on the annual GST return.

Tips:

- You don't need to complete a GST calculation worksheet.
- If you want to report your actual GST amounts instead of paying GST instalment amounts, you can switch to the Simpler BAS reporting method by contacting us.

See also:

- [GST instalments](#)

Full reporting method (\$10 million or more)

If your GST turnover is \$10 million or more, you must report using the full reporting method.

What to report

On your monthly or quarterly activity statement, you must report the following GST information:

- G1 – Total sales
- G2 – Export sales
- G3 – Other GST-free sales
- G10 – Capital purchases
- G11 – Non-capital purchases
- 1A – GST on sales
- 1B – GST on purchases.

You remain on full reporting while your GST turnover is \$10 million or more.

If your GST turnover changes

If your GST turnover reaches \$10 million or more, phone us on 13 28 66 to update your turnover. We will move you to full reporting from the start of the next financial year.

If your GST turnover falls below \$10 million, phone us on 13 28 66 to update your turnover. In this case we will either:

- move you to Simpler BAS reporting from the start of your next tax period
- move you to GST instalments if you're eligible for and elect to use GST

instalments (quarterly reporters only) – the start date depends on when you make your election.

See also:

- [Simpler BAS GST bookkeeping guide](#)
- [Working out your GST turnover](#)
- [Online services for business](#)

Information for tax professionals

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Goods-and-services-tax-\(GST\)/GST-reporting-methods/Information-for-tax-professionals/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Goods-and-services-tax-(GST)/GST-reporting-methods/Information-for-tax-professionals/)
- Last modified: 19 Jul 2019
- QC 52118

If you are a tax professional, you need to be aware that your small business clients with a GST turnover of less than \$10 million moved to Simpler BAS reporting from 1 July 2017.

Small business clients previously on GST instalments will have no change to their instalment notice. On their annual GST return they only need to provide us with G1 Total sales, 1A GST on sales, 1B GST on purchases and 1H GST instalment amounts.

Electronic commerce interface (ECI) and some practice management software do not support the Simpler BAS changes. BAS lodgments made through these channels require a 0 inserted at G10 and G11. ECI is closing in December 2019.

All other digital lodgment channels support the Simpler BAS changes.

Provided the accounting software used by a small business supports Simpler BAS bookkeeping, they can choose the bookkeeping settings to use for GST classification coding – either the Simpler BAS approach (fewer GST classifications) or the existing detailed classification approach.

Regardless of which bookkeeping approach is used, small businesses reporting under Simpler BAS only need to provide us with G1 Total sales, 1A GST on sales and 1B GST on purchases on the BAS.

What Simpler BAS means for you

Simpler BAS helps you and your clients to move away from 'form filling' and making unnecessary changes in preparing the BAS that have no impact on the net (final)

GST amount.

Tax professionals participating in user testing told us that Simpler BAS:

- enables greater use of streamlined data automation options such as automatic bank feeds and Standard Business Reporting (SBR) technology
- reduces the time spent on administrative tasks like setting up accounting software and validating entries
- allows for easier classification of transactions and BAS preparation and lodgment
- makes reporting and lodging on behalf of small business clients easier.

Simpler BAS GST bookkeeping guide

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Goods-and-services-tax-\(GST\)/Simpler-BAS-GST-bookkeeping-guide/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Goods-and-services-tax-(GST)/Simpler-BAS-GST-bookkeeping-guide/)
- Last modified: 27 Jun 2019
- QC 52122

The information provided here is for use as a general Simpler BAS GST bookkeeping guide only. We developed this guide in conjunction with the Institute of Certified Bookkeepers (ICB) and the BAS Agent Association Group (BASAAG).

The guide will help you:

- classify sales and purchases for GST
- clarify the most GST transactions.

If you are unsure about any of this content you should seek advice from a tax professional.

Find out about:

- [Taxable sales](#)
- [GST-free sales](#)
- [Input-taxed sales](#)
- [Purchases with GST in the price](#)
- [Purchases with no GST in the price or where no GST credits can be claimed](#)
- [Mixed purchases \(both taxable and GST-free and/or input-taxed components\)](#)
- [Items not reported on the BAS for GST purposes](#)
- [More GST bookkeeping and reporting information](#)

Taxable sales

Taxable sales are sales where GST is payable.

When completing your BAS you must report taxable sales and the GST in their price at:

- G1 Total sales
- 1A GST on sales.

On your BAS you disclose either the GST-inclusive or the GST-exclusive total sales figure at G1. You must indicate your choice.

Table 1 below contains a list of taxable sales and their descriptions. You can use this information to assist in identifying your taxable sales.

Table 1: Taxable sales

Transaction	Transaction description	GST tax code	Completing your BAS
Goods and services	Sales of goods and services in the course of your business or enterprise (ie trading stock).	GST	G1 Total sales 1A GST on sales
Assets	Sale of business assets such as office equipment, machinery and motor vehicles, including trade-ins and transfers of ownership.	GST	G1 Total sales 1A GST on sales
Property (see note)	If you are dealing with property (eg you sell, lease or develop) you may have to pay GST on the sale or lease of the property. The GST amount on property sales may be calculated on the full value of the sale or on the margin for the sale. You should seek advice from a tax professional, or for more information, see GST and property .	GST	G1 Total sales 1A GST on sales

Note: Transactions with common GST mistakes

GST-free sales

GST-free sales are sales where GST is not payable, but you may claim GST credits for purchases relating to these sales.

When completing your BAS you must report GST-free sales at G1 Total sales.

Table 2 below contains a list of GST-free sales and their descriptions. You can use this information to assist in identifying your GST-free sales.

Table 2: GST-free sales

Transaction	Transaction description	GST tax code	Completing your BAS
Fresh food	Most basic foods and beverages, subject to certain exceptions. For more information, see Detailed food list .	No GST	G1 Total sales
Medical and health	Most medical, health and care services, medicine and eligible medical aids and appliances. For more information, see GST and health .	No GST	G1 Total sales
Education	Most education courses, course materials and related excursions or field trips. For more information, see GST-free sales .	No GST	G1 Total sales
Childcare	Eligible childcare services. For more information, see GST-free sales .	No GST	G1 Total sales
Exported goods and services	Export sales of goods (must be physically exported from Australia within certain timeframes) and services and other things provided to customers outside Australia. Specific rules apply to exports. For more information, see Exports and GST .	No GST	G1 Total sales
Sale of business	Sale of a business as a going concern where certain conditions are met. For more information, see GST-free sales .	No GST	G1 Total sales

Input-taxed sales

Input-taxed sales are sales where GST is not payable, and you generally can't claim GST credits for purchases relating to these sales.

When completing your BAS you must report input-taxed sales at G1 Total sales.

Table 3 below contains a list of input-taxed sales and their descriptions. You can use this information to assist in identifying your input-taxed sales.

Table 3: Input-taxed sales

Transaction	Transaction description	GST tax	Completing your BAS
-------------	-------------------------	---------	---------------------

		code	
Property (see note)	Supplies of residential rental premises and sales of existing residential premises (excluding new homes or commercial premises). For more information, see GST and property .	No GST	G1 Total sales
Financial Sales (see note)	Financial sales which include most transactions relating to money such as lending money, selling shares or other securities. For more information, see Financial supplies .	No GST	G1 Total sales
Fund-raising (see note)	Certain fund-raising activities of charities, gift-deductible entities and government schools. For more information, see Fundraising events .	No GST	G1 Total sales

Note: Transactions with common GST mistakes

Purchases with GST in the price

You can only [claim GST credits](#) for GST included in the price of purchases that you buy or import for your GST-registered business, and that relate to taxable sales or GST-free sales.

To claim GST credits, when completing your BAS you must report the GST included in the price of your purchases at 1B GST on purchases.

You do not report your total purchases.

Table 4 below contains a list of purchases with GST in the price and their descriptions. You can use this information to assist in identifying your purchases with GST in the price.

Table 4: Purchases with GST in the price

Transaction	Transaction description	GST tax code	Completing your BAS
Goods and services	You can generally claim a credit for GST included in the price of any goods and services you buy or import for your GST registered business. Examples include: <ul style="list-style-type: none"> capital purchases such as motor 	GST	1B GST on purchases

	<p>vehicles, plant and equipment — check to ensure capital purchases are allocated to the appropriate capital account</p> <ul style="list-style-type: none"> • inventory purchases (ie trading stock) • normal running expenses such as leases, equipment rentals, stationery and repairs. <p>For more information, see Claiming GST credits.</p>		
Imported goods (>\$1,000)	Imports of most goods where customs value is greater than \$1,000 and GST was paid. For more information, see GST and imported goods .	GST	1B GST on purchases
Second-hand goods from a GST registered business OR ≤\$300 value (see note)	<p>If you purchase a second-hand item from a GST-registered business (excluding charitable organisations), GST credits may be claimed.</p> <p>Where second-hand items \$300 or less are purchased from a private seller or a non GST-registered business for resale (ie trading stock), GST credits may be claimed even though the price did not include GST. For more information, see Purchases for \$300 or less.</p>	GST	1B GST on purchases
Business expenses for entertainment subject to fringe benefits tax (FBT) (see note)	<p>You may claim GST credits for entertainment expenses you incur in providing entertainment that is subject to FBT. For more information, see FBT and entertainment for small business.</p> <p>If you have elected to use the 50/50 split method for FBT purposes, then GST may be claimed on 50% of the expenses only.</p>	GST	1B GST on purchases
Hire purchase (see note)	GST may be claimed on all components (including associated fees and the credit component) for hire purchase agreements entered into on or after 1 July 2012. Treat a hire purchase agreement as a standalone purchase in a tax period. Do not treat it as a purchase you make on a progressive or periodic basis. For more information, see GST – Hire purchase and leasing .	GST	1B GST on purchases

Lease agreements (see note)	Lease agreements are generally subject to GST. How you claim GST credits depends on whether you account for GST on a cash or non-cash (accruals) basis. For more information, see GST – Hire purchase and leasing .	GST	1B GST on purchases
Domestic business-related travel (see note)	GST credits for business-related domestic travel may be claimed, but must be apportioned between your business and private use. Expenses include: <ul style="list-style-type: none"> • airfares • taxi fares • fares for ride-sourcing services. For more information, see Business travel expenses .	GST	1B GST on purchases
Fuel (eg petrol, diesel and fuel blends)	You can generally claim a credit for GST included in the price of fuel you purchase for use in your business. You may also be eligible to claim fuel tax credits. For more information, see Fuel tax credits – business .	GST	1B GST on purchases 7D Fuel tax credit

Note: Transactions with common GST mistakes

A [valid tax invoice](#) for purchases over \$82.50 is required to claim a GST credit.

Purchases with no GST in the price or where no GST credits can be claimed

Table 5 below contains a list of purchases with no GST in the price or where no GST credits can be claimed. You do not need to report these purchases.

You can use this information to assist in identifying your purchases with no GST in the price or where no GST credits can be claimed

Table 5: Purchases with no GST in the price or where no GST credits can be claimed

Transaction	Transaction description	GST tax code	Completing your BAS
GST-free goods and services	Purchases of GST-free goods and services. These include: <ul style="list-style-type: none"> • most basic foods and beverages subject to certain exceptions. For more 	No GST	Not reported on BAS for GST

	<p>information and a detailed food list see Detailed food list</p> <ul style="list-style-type: none"> most medical, health and care services, medicine and eligible medical aids and appliances. For more information, see GST and health. <p>Check your invoice if in doubt. For more information, see GST-free sales.</p>		
Purchases from a business not registered for GST	<p>Goods and services purchased from a business that is not GST-registered. Generally a business is only required to register for GST if their GST turnover is over \$75,000 (\$150,000 for not-for-profit organisations), although they may voluntarily register.</p>	No GST	Not reported on BAS for GST
Life and health insurance	<p>Insurance premiums for life insurance (input-taxed) and health insurance (GST-free).</p>	No GST	Not reported on BAS for GST
Motor vehicle private sale	<p>Purchase of a motor vehicle from a private seller not registered for GST.</p>	No GST	Not reported on BAS for GST
Imports – \$1,000 or < (see note)	<p>Imports of goods where the customs value is \$1,000 or less and no GST was paid. For more information, see GST and imported goods.</p>	No GST	Not reported on BAS for GST
Business expenses for FBT-exempt employee benefits (see note)	<p>Some employee benefits are exempt from FBT and, even though the price of related business expenses may include GST, GST credits cannot be claimed. Exempt benefits include:</p> <ul style="list-style-type: none"> minor benefits <\$300 that satisfy five factors food or drink provided to current employees on a working day on business premises taxi travel to or from an employee's place of work to an external venue (eg home or restaurant). <p>For more information, see Minor benefits exemption.</p>	No GST	Not reported on BAS for GST
Second-	<p>Purchase of a second-hand item from a</p>	No	Not

hand goods from charity OR >\$300 value (see note)	charitable organisation is GST-free.	GST	reported on BAS for GST
Second-hand goods from charity OR >\$300 value (see note)	<p>Where second-hand items over \$300 are purchased from a private seller or non GST-registered business for resale (ie trading stock), GST credits may be claimed even though the price did not include GST. However, you must wait until you sell the item you have purchased to claim the GST credit.</p> <p>If you are eligible to use the global accounting method, GST credits may be accumulated but you cannot claim these GST credits directly at 1B. Instead, use them to cancel out the GST you would otherwise pay to us on the items you sell. For more information, see Global accounting method.</p>	GST	1B GST on purchases (claimed at the time you sell the item you have purchased).
International travel (see note)	International travel, including domestic leg of an overseas trip, is GST-free.	No GST	Not reported on BAS for GST
Purchases for input-taxed sales (see note)	Even if GST is included in the price, you cannot claim GST credits for purchases you intend to use to make input-taxed supplies (eg those related to providing residential accommodation). You should seek advice from a tax professional, or for more information, see When you cannot claim a GST credit .	No GST	Not reported on BAS for GST
Property (see note)	<p>Where you buy:</p> <ul style="list-style-type: none"> • an existing residence • property as a private sale (see 'Items not reported on the BAS for GST purposes' for appropriate GST tax code) • new residential property for rental purposes • GST-free farmland, property or land under the margin scheme (even if GST is included in the price) 	No GST	Not reported on BAS for GST

	<ul style="list-style-type: none"> residential premises such as a room, unit or an apartment to lease to a business that supplies it as hotel accommodation with other facilities. <p>You should seek advice from a tax professional, or for more information, see GST and property.</p>		
--	---	--	--

Note: Transactions with common GST mistakes

Mixed purchases (both taxable and GST-free and/or input-taxed components)

Mixed purchases contain both a taxable component and a GST-free and/or input-taxed component. On your BAS, you report the GST in the price of only the taxable component at 1B GST on purchases.

Table 6 below contains a list of mixed purchases and their descriptions. You can use this information to assist in identifying and correctly reporting your mixed purchases for GST purposes.

With mixed purchases there may be an option in your accounting software to enter the total amount of a tax invoice and manually override the GST amount if it is not 1/11th. This option is subject to accounting software having the functionality to override the GST amount.

Table 6: Mixed purchases (both taxable and GST-free and/or input-taxed components)

Transaction	Transaction description	GST tax code/Manual override	Completing your BAS
Utility bills: <ul style="list-style-type: none"> electricity telephone internet 	<p>GST credits may be claimed on:</p> <ul style="list-style-type: none"> connection fees supply and usage charges domestic mobile and landline call usage. <p>GST credits cannot be claimed on:</p> <ul style="list-style-type: none"> interest charged on late payments international and roaming calls. 	GST – Code total amount of invoice as 'GST' and manually override GST dollar amount to reflect GST shown on the invoice.	1B GST on purchases Note: only claim GST dollar amount on invoice.
Government	In some localities a commercial	GST – Code	1B GST on

rates and water	<p>rubbish collection fee may be applied. GST credits may be claimed on this component only. Government (council) rates and water supply charges are not subject to GST.</p> <p>GST credits cannot be claimed on:</p> <ul style="list-style-type: none"> • interest charged on late payments • ambulance levy (some states and territories only). 	total amount of invoice as 'GST' and manually override GST dollar amount to reflect GST shown on the invoice.	purchases Note: only claim GST dollar amount on invoice.
Mixed private and business use (see note)	<p>For the proportion of business expense related to your business, GST credits may be claimable.</p> <p>You must accurately apportion your expenses between private and business use. Private expenses are entered in your private account (eg drawings). Business expenses are entered in your business expenses account. You need to be able to substantiate your claims – keeping a logbook and accurate records are important.</p> <p>For the proportion of private expense not related to your business, GST credits are not claimable.</p>	GST – Note: No manual override should be done because business and private expenses are entered in their respective separate accounts.	1B GST on purchases
Purchase motor vehicle from GST-registered dealer or other business (see note)	<p>GST credits may be claimed for the GST in the price of the vehicle and insurance components (eg compulsory third party, motor injury or transport accident charge). GST credits are not claimable on the following components which are not subject to GST:</p> <ul style="list-style-type: none"> • stamp duty on car • stamp duty on motor vehicle insurance • government registration fee. 	GST – Note: No manual override should be done because motor vehicle and insurance expenses are entered in their respective separate accounts.	1B GST on purchases

Motor vehicle registration (see note)	<p>GST credits may be claimed for the GST in the price of the insurance component of the registration (eg compulsory third party, motor injury and transport accident charge).</p> <p>GST credits are not claimable on the following components which are not subject to GST:</p> <ul style="list-style-type: none"> • stamp duty on motor vehicle insurance • government registration fee. 	GST – Code total amount of invoice as 'GST' and manually override GST dollar amount to reflect GST shown on the invoice.	1B GST on purchases Note: only claim GST dollar amount on invoice.
Insurance for business use (see note)	<p>GST credits may be claimed for the GST in the price of the insurance premium component only.</p> <p>GST credits are not claimable on the following components which are not subject to GST:</p> <ul style="list-style-type: none"> • stamp duty component • any settlement payouts as they are not reported on your BAS • private use portion. 	GST – Code total amount of invoice as 'GST' and manually override GST dollar amount to reflect GST shown on the invoice.	1B GST on purchases Note: only claim GST dollar amount on invoice.

Note: Transactions with common GST mistakes

Items not reported on the BAS for GST purposes

Table 7: Items not reported on the BAS for GST purposes

Transaction	Transaction description	GST tax code	Completing your BAS
Transactions not subject to GST	<ul style="list-style-type: none"> • Private expenses unrelated to your business (see note) • Depreciation • Dividends received • Interest paid • Fines • Most Australian government taxes 	Out of scope/No tax/Not reportable	Not reported on BAS for GST

	<ul style="list-style-type: none"> • Bank fees and charges • Principal payments on finance and loan interest • Stamp duty • Sale of your home (main residence) • Superannuation • Salary and wages • Non-deductible entertainment expenses • Donations 		
--	--	--	--

Note: Transactions with common GST mistakes

More GST bookkeeping and reporting information

- [GST reporting methods](#)
- [BAS and GST tips](#)
- [Choosing an accounting method](#)
- [Fixing BAS mistakes or making adjustments](#)

PAYG instalments – how to complete your activity statement

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/PAYG-instalments---how-to-complete-your-activity-statement/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/PAYG-instalments---how-to-complete-your-activity-statement/)
- Last modified: 09 Jan 2023
- QC 27149

If you receive an:

- activity statement, complete and lodge it to report your pay as you go (PAYG) instalment
- instalment notice, you do not need to complete or lodge it, unless you wish to vary the amount. You can simply pay the amount shown on the notice.

On this page

- [Choose your option for calculating instalments](#)
- [Completing the instalment amount \(option 1\)](#)
- [Completing the instalment rate \(option 2\)](#)

Choose your option for calculating instalments

On your first activity statement of the income year, you may have the choice between 2 options:

- Option 1: Pay a PAYG instalment amount
- Option 2: Calculate PAYG instalment using income × rate.

You can find out how these options work, and which might suit you best, in [Calculate your PAYG instalments](#).

If you have this choice, indicate your preferred option and complete the section you have chosen.

Completing the instalment amount (option 1)

With this option you pay the amount we have calculated for you.

Instalment amount – T7

T7 (ATO instalment amount) shows either:

- the [amount we have calculated](#) for you
- the amount you calculated in your most recent variation (if you varied a previous instalment).

If you do not need to vary the amount, and do not have any other obligations (such as GST) that require a business activity statement, you can just pay the amount. You do not need to lodge your activity statement or instalment notice.

Vary the instalment amount

If you think your instalment amount will result in you paying more, or less, than your expected income tax for the year, you can [vary it](#).

You do not have to vary your PAYG instalments. When you lodge your tax return, your PAYG instalments are credited against your income tax liability. We refund any excess, and you pay any shortfall.

Estimated tax for the year – T8

Enter the [tax you expect to pay on your business and investment income](#) for the year.

Varied amount – T9

Enter your varied amount. If this is nil or a negative amount, enter 0.

If it is a negative amount, you can claim a credit at 5B.

Reason code for variation – T4

Choose the [variation reason code](#) that best describes why you varied your PAYG instalment amount.

PAYG income tax instalment – 5A

The amount of your PAYG instalment for the period is shown at 5A (PAYG income tax instalment).

If you are lodging a paper statement, you will need to fill in this field. Enter the amount from either:

- T7 (instalment amount)
- T9 (if you are varying the amount).

Credit from PAYG income tax instalment variation – 5B

If your varied amount for the period (entered at T9) is negative, you may be refunded any excess from previous instalments in the same income year.

To claim a credit, enter your varied instalment amount at 5B (credit from PAYG income tax instalment variation).

You do not have to claim a credit in your activity statement. You can wait until you lodge your tax return and we will take any credit into account when we work out any tax shortfall or refund for the year.

Completing the instalment rate (option 2)

With this option you calculate the amount to pay by multiplying your instalment rate by your business and investment income. We tell you what rate to use.

PAYG instalment income – T1

Work out your [instalment income](#) for the period and enter this at T1 (PAYG instalment income). If you do not have any instalment income for the period, enter '0'.

Generally, your instalment income is your gross business and investment income, excluding GST.

If we provide you with an instalment rate of nil, you still need to report your instalment income on your activity statement.

Instalment rate – T2

The rate at T2 (instalment rate) will be either:

- the instalment rate worked out by us
- your most recent varied rate, if you have varied the instalment rate in a previous quarter in the same income year.

If you do not need to vary the instalment rate, skip to [Instalment \(T11\)](#).

Vary the instalment rate

If you think your instalment rate will result in you paying more, or less, than your

expected income tax for the year, you can vary it.

You do not need to vary simply because your income has changed – the payment you calculate will go up and down in line with your income.

Varying your PAYG instalments will not change how much income tax you pay for the year. When you lodge your tax return, your PAYG instalments are credited against your income tax liability. We refund any excess, and you pay any shortfall.

If you want to vary your instalment rate, see [How to vary your instalment rate \(option 2\)](#) to calculate your variation. Enter T3 (new varied rate) and T4 (reason code for variation) on your activity statement.

New varied rate – T3

Calculate your varied rate and enter it at T3.

Reason code for variation – T4

Choose the [variation reason code](#) that best describes why you varied your PAYG instalment amount.

Instalment – T11

To work out your instalment for the period (T11):

- multiply your instalment income (T1) by your instalment rate (T2 or T3).

PAYG income tax instalment – 5A

The amount of your PAYG instalment for the period is shown at 5A (PAYG income tax instalment).

- If you are lodging a paper statement, you will need to fill in this field. Enter the amount from T11.

Example: calculating an instalment using the instalment rate

Sophia is a sole trader.

- We have offered her a choice of reporting options in the first quarter (1 July to 30 September).
- Sophia chooses to pay using the instalment rate (option 2).

Sophia's income for the quarter is:

- total sales of \$22,000 (including \$2,000 GST)
- interest and dividends received of \$100.

Sophia's *instalment* income is \$20,100, made up of:

- \$22,000 (total sales) – \$2,000 (GST) + plus \$100 (other income).

At T1 she enters the instalment income of 20,100.

The instalment rate on her activity statement shown at T2 is 1.7%.

She calculates the instalment amount as follows:

$$T1 \times T2 = \$20,100 \times 1.7\% = \$341.70$$

She enters 341 at both T11 and 5A.

Sophia lodges her activity statement and pays \$341 by 28 October (the due date for the first quarter).

Credit from PAYG income tax instalment variation – 5B

If your varied instalment rate (entered at T3) is less than the instalment rate at T2, you may be entitled to a credit from earlier instalments in the same income year.

To claim a credit, enter the amount at 5B.

You do not have to claim a credit in your activity statement. You can wait until you lodge your tax return and we will take any credit into account when we work out any tax shortfall for you to pay or refund you are due.

Use the following table to calculate the amount of credit you can claim at 5B.

Table: Calculate the amount of credit you can claim

Step	Calculation
1	Add up your earlier instalments (the amounts reported at 5A), even if you have not paid all of them
2	Add up any credits claimed in previous quarters of the income year (amounts reported at 5B on previous activity statements)
3	Subtract the amount at step 2 from step 1
4	Add up instalment income for all earlier quarters of the income year
5	Multiply the amount at step 4 by the varied instalment rate
6	Subtract the amount at step 5 from the amount at step 3
7	If the result is a positive amount, this is the amount of credit you can claim at 5B

Example: claiming a credit

Bill's instalment rate is 10% for the first quarter (1 July to 30 September) of the current income year.

He multiplies this rate by his instalment income of \$10,000:

- $(\$10,000 \times 10\%) = \text{instalment payment of } \$1,000.$

For the second quarter (1 October to 31 December), Bill varies the instalment rate to 5%.

Bill multiplies his instalment income of \$10,000 by the varied rate.

- $(\$10,000 \times 5\%) = \text{instalment payment of } \$500.$

He then chooses to claim a credit as if his instalment rate had always been 5%.

- Using the table below to work it out, Bill's claim at 5B would be \$500.

Table: Bill's calculation of the amount of credit he can claim

Step	Calculation	Amount
1	Bill adds up his earlier instalments (the amounts reported at 5A) including the instalments he hasn't paid for	\$1,000
2	He adds up any credits claimed in previous quarters (amounts reported at 5B on a previous activity statement)	\$0
3	He subtracts the amount at step 2 from step 1	\$1,000
4	He adds up his instalment income for all earlier quarters of the income year	\$10,000
5	He multiplies the amount at step 4 by the varied instalment rate	$\$10,000 \times 5\%$ $= \$500$
6	He subtracts the amount at step 5 from the amount at step 3	$\$1,000 - \500 $= \$500$
7	Bill's amount of credit he can claim at 5B	\$500

Pay as you go (PAYG) withholding

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Pay-as-you-go-\(PAYG\)-withholding/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Pay-as-you-go-(PAYG)-withholding/)
- Last modified: 04 Apr 2017
- QC 33689

Under PAYG withholding, you need to withhold tax from certain payments made to others. These payments include:

- payments to employees, company directors and office holders
- payments to workers under a labour-hire agreements
- payments under voluntary agreements
- payments where an Australian business number (ABN) has not been quoted in relation to a supply.

You must report any withheld amounts in the PAYG tax withheld section of your business activity statement (BAS), and pay all withheld amounts to us.

If you fail to comply with the PAYG withholding obligations for a payment to a worker, you may not be entitled to a deduction for that payment. Penalties may also apply.

See also:

- [PAYG withholding](#)
- [PAYG withholding - how to complete your activity statement labels](#)
- [Removing tax deductibility of non-compliant payments](#)

Fringe benefits tax (FBT) instalment

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Fringe-benefits-tax-\(FBT\)-instalment/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Fringe-benefits-tax-(FBT)-instalment/)
- Last modified: 04 Apr 2017
- QC 33675

Fringe benefits tax (FBT) is a tax employers pay on certain benefits you provide to

your employees, including your employees' family or other associates. The benefits may be in addition to, or part of, salary or wages packages. FBT is separate from income tax.

If you were required to pay FBT of \$3,000 or more in the past financial year, then you need to lodge your BAS and pay quarterly.

See also:

- [FBT - how to complete your activity statement labels](#)
- [Fringe benefits tax \(FBT\)](#)

Luxury car tax (LCT)

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Luxury-car-tax-\(LCT\)/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Luxury-car-tax-(LCT)/)
- Last modified: 04 Apr 2017
- QC 33694

Luxury car tax (LCT) is a 33% tax on cars with value (including GST) above our set threshold. This tax only applies to the portion of the car's value that is above the threshold, not the total value of the car.

LCT is paid by businesses that sell or import luxury cars (dealers), and also by individuals who import luxury cars.

Reporting and paying GST instalments

If you report and pay GST using Option 3: Pay GST instalment amount and report annually, don't complete the LCT section of your BAS. Your LCT will be included in your GST instalment amount.

However, you will still need to report LCT payable (1E) and LCT refundable (1F) when lodging your *Annual GST Return*. This is due at the same time as your income tax return.

Reporting and paying GST annually

If you report and pay GST annually you don't have to report LCT on a monthly or quarterly BAS. You'll only need to report LCT on your *Annual GST Return*.

Next steps:

- [Who needs to pay LCT and who can defer paying it?](#)

See also:

- [Luxury car tax](#)
- [LCT - how to complete your activity statement labels](#)

Who needs to pay LCT and who can defer paying it?

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Luxury-car-tax-\(LCT\)/Who-needs-to-pay-LCT-and-who-can-defer-paying-it/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Luxury-car-tax-(LCT)/Who-needs-to-pay-LCT-and-who-can-defer-paying-it/)
- Last modified: 04 Apr 2017
- QC 33688

If you sell or import cars valued at more than the threshold you will need to pay LCT.

In some circumstances, you may be able to defer paying LCT by quoting your ABN.

You can do this if you plan to use the car only for one of the following purposes:

- to hold it for trading stock (not including holding it for hire or lease)
- to carry out research and development for the car's manufacturer
- to export it GST-free.

If you stop using a car for a quotable purpose, for example, if you hold a car as trading stock and start using it for private purposes, or if it becomes a capital asset of your business you must pay the LCT.

See also:

- [LCT - how to complete your activity statement labels](#)
- [Luxury car tax rate and thresholds](#)

Wine equalisation tax (WET)

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Wine-equalisation-tax-\(WET\)/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Wine-equalisation-tax-(WET)/)
- Last modified: 04 Apr 2017
- QC 33703

If you make wine, import wine into Australia or sell it by wholesale, you'll generally have to account for wine equalisation tax (WET).

WET is a tax of 29% of the wholesale value of wine. It is only payable if you are registered or required to be registered for GST.

Report and pay GST instalments

If you report and pay GST using option 3 Option 3: Pay GST instalment amount and report annually, don't complete the WET section of your BAS. Your WET will be included in your GST instalment amount.

However, you'll still need to report WET payable (1C) and WET refundable (1D) when lodging your *Annual GST Return*. This is due at the same time as your income tax return.

Report and pay GST annually

If you report and pay GST annually you are not required to report WET on a monthly or quarterly BAS, however you must report WET on your *Annual GST Return*.

See also:

- [WET - how to complete your activity statement labels](#)
- [Wine equalisation tax](#)

Fuel tax credits

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Fuel-tax-credits/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Fuel-tax-credits/)
- Last modified: 04 Apr 2017
- QC 33676

As a business, fuel tax credits provide you with a credit for the fuel tax (excise or customs duty) that's included in the price of fuel used in:

- machinery
- plant
- equipment
- heavy vehicles
- light vehicles travelling off public roads or on private roads.

The credit amount depends on:

- when you acquire the fuel
- what fuel you use
- the activity you use it in.

Fuel tax credits rates change regularly so it's important to check the rates each time

you do your BAS.

Before you can make a claim, you must be registered for GST and fuel tax credits.

Next step

- [Find out if you are eligible to claim fuel tax credits](#)
- [Calculate your fuel tax credits](#)

Find out about

- [Adjusting fuel tax claims](#)
- [Claiming arrangements for GST instalment payers and GST groups](#)

See also

- [Fuel tax credits - how to complete your activity statement labels](#)
- [Fuel schemes](#)

Adjusting fuel tax claims

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Fuel-tax-credits/Adjusting-fuel-tax-claims/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Fuel-tax-credits/Adjusting-fuel-tax-claims/)
- Last modified: 04 Apr 2017
- QC 33698

You may need to change an amount of fuel tax credits you have claimed by making an adjustment. You need to make an adjustment if your entitlement changes because you have used the fuel for a different purpose than you intended at the time you acquired, imported or manufactured it.

Amounts that decrease your entitlements should be reported at label 7C. Amounts that increase your entitlements should be reported at label 7D

When calculating the dollar amount of your adjustment, you need to apply the fuel tax credit rate that applied at the time you made the original claim.

Next step:

- [Fuel tax credits – making adjustments and correcting mistakes](#)

See also:

- [Claiming arrangements for GST instalment payers and GST groups](#)
- [What if you've made a mistake?](#)

Claiming arrangements for GST instalment payers and GST groups

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Fuel-tax-credits/Claiming-arrangements-for-GST-instalment-payers-and-GST-groups/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Fuel-tax-credits/Claiming-arrangements-for-GST-instalment-payers-and-GST-groups/)
- Last modified: 04 Apr 2017
- QC 33700

For GST groups, branches and joint ventures, the representative entity or operator claims fuel tax credits on behalf of the others.

GST instalment payers

If you pay GST instalments, you can claim fuel tax credits on a quarterly basis. To do this, you need to register for fuel tax credits. When you have done this, instead of receiving an instalment notice you'll receive a quarterly BAS regardless of whether you pay two or four GST instalments for the financial year.

If you want to claim fuel tax credits for the period, or if you have an adjustment to make for a fuel tax credit overclaim, you only need to lodge a BAS.

Your fuel tax credits are not included in your displayed GST instalment amount. You need to report your actual fuel tax credits separately at label 7D on your BAS.

Next step:

- [Fuel tax credits - how to complete your activity statement labels](#)

See also:

- [Registering for fuel tax credits](#)
- [GST instalments](#)

GST groups, branches and joint ventures

Claiming arrangements vary for GST groups, branches and joint ventures:

- GST group: The representative member of the GST group claims fuel tax credits on behalf of the group.
- GST branch: Each GST branch claims fuel tax credits separately from the parent entity.
- GST joint venture: The operator of a GST joint venture claims fuel tax credits on behalf of the participants of the joint venture.

Next step:

- [Fuel tax credits - how to complete your activity statement labels](#)

See also:

- [Registering for fuel tax credits](#)

- [GST groups](#)
- [GST branches](#)

Instalment notices for GST and PAYG instalments

- [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Instalment-notices-for-GST-and-PAYG-instalments/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Instalment-notices-for-GST-and-PAYG-instalments/)
- Last modified: 21 Jul 2021
- QC 33682

You'll receive a quarterly goods and services tax (GST) or pay as you go (PAYG) instalment notice, instead of a business activity statement (BAS), if you:

- report and pay your GST or PAYG instalments quarterly
- pay using the instalment amount advised by us (option 1)
- have no other reporting requirements.

Your instalment notice will have a:

- GST instalment amount displayed at G21 (if relevant)
- PAYG instalment amount at T7.

Paying your instalment amount

You need to pay the total GST and PAYG instalment amount by the due date on the notice.

If you receive your notice by post, you don't need to send the notice to us with your payment. Keep the instalment notice for your records.

Varying your instalment amount

If you think that paying the instalment amount on your notice will result in you paying more (or less) than your expected tax for the income year, you can vary your instalment amount.

If you don't want to vary, you can pay for the quarter. Then you'll:

- make a payment or receive a refund of GST when you lodge your *Annual GST return*
- pay income tax or receive a refund when you lodge your tax return.

See also:

- [How to vary your PAYG instalments](#)

- [Varying your GST instalment amount](#)

Receiving your PAYG and GST instalment notice electronically

We no longer send paper instalment notices for activity statements lodged electronically through:

- myGov accounts linked to the ATO
- Online services for business
- Online services for agents
- the practitioner lodgment service (PLS)
- Standard Business Reporting (SBR)-enabled software.

You or your registered tax or BAS agent can access the instalment amount online three to four days after the [activity statement generate date](#). If you don't use an agent and we have your email address, we'll send you an email or SMS 21 days before the payment is due. Log in to our online services to check your contact details.

If you don't use our online services or a registered agent to lodge your activity statements you will continue to receive your instalment notice by post.

If you are ready to make the change to electronic lodgment, you can create an online account.

See also:

- [Online services](#)
- [Activity statement generate dates](#)

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.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).