



# Taxation Administration Amendment Regulations 2012 (No. )<sup>1</sup>

**Select Legislative Instrument 2012 No.**

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I, QUENTIN BRYCE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following Regulations under the *Taxation Administration Act 1953*.

Dated 2012

Governor-General

By Her Excellency's Command

**[EXPOSURE DRAFT — NOT FOR SIGNATURE]**

Assistant Treasurer

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**EXPOSURE DRAFT**

**1 Name of Regulations**

These Regulations are the *Taxation Administration Amendment Regulations 2012 (No. )*.

**2 Commencement**

These Regulations commence on 1 July 2012.

**3 Amendment of *Taxation Administration Regulations 1976***

Schedule 1 amends the *Taxation Administration Regulations 1976*.

## Schedule 1      **Amendment**

(regulation 3)

### [1]      **After Part 7**

*insert*

## **Part 8                      Payment, ABN and identification verification system**

### **64              Reporting requirements — building and construction industry**

- (1) For section 405-5 of the Act, a supply by a supplier to a purchaser is specified if all of the following circumstances apply:
  - (a) the purchaser is a business that is primarily in the building and construction industry;
  - (b) both the supplier and the purchaser have an ABN;
  - (c) the supplier supplies to the purchaser:
    - (i) building and construction services; or
    - (ii) a combination of goods and building and construction services, if the supply of the services is not incidental to the supply of the goods.
- (2) Subregulation (1) does not apply if both the supplier and the purchaser are members of:
  - (a) the same consolidated group; or
  - (b) the same MEC group.
- (3) Subregulation (1) does not apply if the payment made for the supply is a payment of the kind mentioned in paragraph (a) of the definition of ***withholding payment*** in section 995-1 of the *Income Tax Assessment Act 1997*.

- (4) An expression used in this regulation and in the *Income Tax Assessment Act 1997* has the same meaning in this regulation as in that Act.

*Note* For the definitions of the following expressions, see section 995-1 of the *Income Tax Assessment Act 1997*:

- ABN
- consolidated group
- MEC group
- member, in relation to a consolidated group
- member, in relation to a MEC group
- supply.

- (5) A purchaser is taken to be a business that is primarily in the building and construction industry only if:
- (a) in the current financial year, more than 50% of the purchaser's business income is derived from providing building and construction services; or
- (b) in at least one of the 2 financial years immediately preceding the current financial year, more than 50% of the purchaser's business income was derived from providing building and construction services.

- (6) In this regulation:

***building and construction services*** include any of the following activities, if the activities are performed on, or in relation to, any part of a building, structure, works, surface or sub-surface:

- (a) alteration;
- (b) assembly;
- (c) construction;
- (d) demolition;
- (e) design;
- (f) destruction;
- (g) dismantling;
- (h) erection;
- (i) excavation;
- (j) finishing;
- (k) improvement;

- (l) installation;
- (m) maintenance;
- (n) management of building and construction services;
- (o) modification;
- (p) organisation of building and construction services;
- (q) removal;
- (r) repair;
- (s) site preparation.

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**Note**

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See <http://www.frli.gov.au>.