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Instructions

Detailed instructional information about business activity statements.

WET – how to complete your activity statement labels



Complete the WET section of your business activity statement using the 1C and 1D labels.

LCT – how to complete your activity statement labels



Complete the LCT section of your business activity statement using the 1E and 1F labels.

PAYG withholding – how to complete your activity statement labels



How to complete the PAYG withholding labels on your activity statement.

QC 28378

WET – how to complete your activity statement labels

Complete the WET section of your business activity statement using the 1C and 1D labels.

Last updated 4 April 2017

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1C – WET payable

1D – WET refundable

Wine manufacturers, wholesalers and importers need to complete the WET section of the business activity statement (BAS).

If you have no WET to report, enter '0' at **1C** and **1D**.

To report on WET, you need to complete the following labels:

1C – WET payable

Enter at **1C** all WET that you're liable to pay in the current reporting period.

This includes all your assessable dealings, the most common being wholesale sales and retail sales.

1D – WET refundable

Include at **1D** the amount of WET refundable.

Calculate the WET you are entitled to as a credit in the current reporting period. You can claim a WET credit if you've overpaid WET, are entitled to a producer rebate for certain exports or imports, or where you've written off a bad debt.

If you have nothing to report, enter '0' at **1D**.

See also:

- WET credits
- Wine equalisation tax

LCT – how to complete your activity statement labels

Complete the LCT section of your business activity statement using the 1E and 1F labels.

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1E – Luxury car tax

Increase in LCT amount

1F – Luxury car tax refundable

For LCT, you need to complete the following labels:

- 1E – Luxury car tax
- 1F – Luxury car tax refundable

1E – Luxury car tax

Include at **1E** all the LCT that you have to pay for the current reporting period.

Generally, you calculate this amount for each luxury car as follows:

Step 1: Take the LCT value (price including GST, before LCT is added).

Step 2: Deduct the LCT threshold.

Step 3: Multiply this amount by 10/11 to exclude GST.

Step 4: Multiply the result by 33% to work out the LCT payable.

Step 5: Add the LCT value and the LCT payable to work out the total amount that you charge a customer for the luxury car.

In some cases (for example, second hand cars) LCT may have been previously payable on the car. The LCT payable on the sale that you make may be reduced by the amount previously payable.

Increase in LCT amount

Also include at **1E** any increases to the amount of LCT that was payable on a previous business activity statement (BAS). These are known as increasing adjustments. This might arise if any of the following occur:

- there has been an increase in the price of the car
- you quoted your ABN when you purchased or imported the car and used it for a non-quotable purpose
- you recovered a bad debt in relation to a luxury car
- you previously had a decreasing adjustment and now use the luxury car for a non-quotable purpose.

You will also need to make an adjustment for the amount of GST.

If you have nothing to report at **1E**, leave the label blank.

See also:

- Adjusting GST

1F – Luxury car tax refundable

Include at **1F** any adjustment to LCT that was paid by you in an earlier tax period if a change of circumstances means LCT is now refundable. This can happen if any of the following occur:

- there is a decrease in the price of the car
- you have written-off a bad debt in relation to a luxury car or a debt has been overdue for 12 months or more
- you did not quote your ABN at the time of the purchase or import and the following applies:
 - you intend to use the vehicle for a quotable purpose
 - you have used the vehicle for a quotable purpose only
 - the sale is cancelled.

You will also need to make an adjustment for the amount of GST.

If you have nothing to report at **1F**, leave the label blank.

See also:

- [Adjusting GST](#)
- [Luxury car tax](#)
- [Luxury car tax rate and thresholds](#)

QC 33672

PAYG withholding – how to complete your activity statement labels

How to complete the PAYG withholding labels on your activity statement.

Last updated 15 November 2024

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About the guide

This guide will assist you to complete the pay as you go (PAYG) withholding part of your activity statement.

PAYG withholding payers (generally businesses and other enterprises) must withhold tax from certain payments made to others. These payments include:

- payments to employees, company directors and office holders
- payments made to workers under labour hire arrangements
- payments under voluntary agreements
- payments where an Australian business number (ABN) has not been quoted in relation to a supply
- other amounts withheld, such as interest, dividend and royalty payments, that were excluded in label W2 or W4.

You must report these withheld amounts in the PAYG tax withheld section of your BAS and pay all withheld amounts to us.

Find more information on [how to lodge](#) and [how to pay your BAS](#).

Example activity statement

The following example shows a quarterly activity statement.

Your activity statement will contain all your reporting requirements and may not look exactly like this example.


Example: Business activity statement - front

To make sure we scan your activity statement correctly:

- print clearly using a black pen
- leave boxes blank if they don't apply to you, unless we ask you to write '0' (do not use NIL)
- show whole dollars only (round cents down to the nearest whole dollar)
- don't report negative figures or use symbols such as +, -, /, \$


- don't write any additional information on your activity statement – contact us if your details have changed.

Example: Business activity statement - rear

 Image is a copy of the back of a business activity statement providing an explanation for each field.

PAYG withholding labels on your activity statement

Ensure the amounts that have been withheld are reported at the correct label.

 PAYGW labels on your activity statement.

The labels are:

- [W1 – Total salary, wages and other payments](#)
- [W2 – Amounts withheld from salaries or wages and other payments shown at W1](#)
- [W4 – Amounts withheld where no ABN is quoted](#)
- [W3 – Other amounts withheld \(excluding any amount shown at W2 or W4\)](#)
- [W5 – Total amounts withheld \(W2 + W4 + W3\).](#)

W1 – Total salary, wages and other payments

Include at **W1** total gross payments from which you are usually required to withhold amounts. These payments include:

- salary, wages, allowances and leave loading paid to employees (including those subsidised by JobKeeper payments)
- director fees
- salary and allowances paid to office holders (including members of parliament, statutory office holders, defence force members and

police officers)

- payments made by a labour hire firm to labour hire workers under a labour hire arrangement
- employment termination payments
- payment for unused annual or long service leave
- payments to religious practitioners
- superannuation (super) income stream
- super lump sum
- Commonwealth education and training payments.
- attributed personal services income.

Include all **payments subject to withholding**, even if you weren't required to withhold any amount. For example, if you pay an employee \$80 per week, and they claim the tax-free threshold, there is generally no obligation to withhold as long as they have previously provided their tax file number. However, you still need to report the total payment at **W1**.

Do not include:

- amounts subject to salary sacrifice arrangements
- super contributions
- departing Australia superannuation payments
- payments from which you withheld an amount because an ABN was not quoted (see [W4](#))
- an investment distribution from which you withheld an amount for non-quotation of a tax file number (TFN)
- interest, dividends or royalty payments from which you withheld an amount for a payment to a foreign resident
- payments to foreign residents for entertainment, sports, construction and casino gaming junket activities.

If you did not make any payments, leave the boxes blank.

W2 – Amounts withheld from salaries or wages and other payments shown at W1

Include at **W2** the total amount you withheld from salaries, wages and other payments shown at **W1**. If you didn't withhold any amounts, leave the box blank.

This is the main type of withholding. If you have no other withholding obligations, go to **W5**.

W4 – Amounts withheld where no ABN is quoted

Where you make payments to suppliers who do not quote their ABN to you, you must withhold 47% (from 1 July 2017) of the invoice amount and pay this to us. Not quoting their ABN means that there was no ABN on the invoice and the supplier did not provide it to you in any other way.

Include at **W4** the total amount you withheld from payments to suppliers who did not quote their ABN to you. If you have nothing to report, leave **W4** blank.

W3 – Other amounts withheld (excluding any amount shown at W2 or W4)

W3 covers other types of withholding. Include the total amount you withheld from:

- interest, dividends, unit trust or other investment distributions you made, where the person you are paying has not filled in a TFN declaration form or otherwise provided you with a TFN (includes a foreign resident)
- interest, dividends or royalty payments you made to a foreign resident
- any departing Australia superannuation payments you made
- any payments you made to foreign residents, for
 - entertainment and sport activities
 - construction and related activities
 - arranging casino gaming junket activities.

If you have nothing to report, leave **W3** blank.

W5 – Total amounts withheld (W2 + W4 + W3)

Include at **W5** the total of **W2 + W4 + W3**.

Do not include **W1** in your **W5** total.

Copy the total at **W5** to **4** in the 'Summary' section of your activity statement. If your activity statement only asks you to report PAYG withholding, you will not have a summary section. Your total withholding will be reported at **9** in the 'Payment or refund' section of your activity statement.

Large withholders

You are a large withholder if you either:

- have withheld amounts totalling more than \$1 million in a previous income year
- are part of a company group which has withheld more than \$1 million in a past income year.

If you are a large withholder, you only need to complete **W1** on your activity statement. Do not complete **W2, W3, W4, W5** or **4** in the 'Summary' section. Large withholders must pay the amounts they withhold to us electronically.

If you report through Single Touch Payroll, you no longer need to report amounts at **W1** on your activity statements.

Checklist

1. Have you:

- filled in the PAYG instalment boxes that apply to you
- checked your calculations
- copied amounts correctly between boxes?

2. Do you need to:

- complete any other sections that apply to you and copy the totals to the summary section
- calculate whether you must make a payment or if you're entitled to a refund
- complete the payment or refund details
- contact us to update your address?

3. Make sure you:

- sign and date your activity statement
- lodge your original activity statement by the **due date**
- pay any amounts you owe by the due date
- keep the right records.

QC 16735

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.

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