

Taxable Payments Annual Reporting

Key Definitions

What is a Contractor?

If you hire someone to do work for you that you do not pay a wage to, they are considered to be a Contractor. At the end of that job, the Contractor will issue the Client with an invoice.
Example: A builder, plumber or electrician that you deal with directly

What is a Sub-Contractor?

A subcontractor is technically another contractor who will deal directly with the hired contractor instead of dealing with you, the primary client. Example: You hire a builder to build your new home, and that Contractor subcontracts work to the tiler, bricklayer, plumber etc. You only deal with the Builder, while the Builder deals with all of the subcontractors.

What is an Employee?

An employee works solely for you, and you pay that individual paid for the time worked, a price per item or a commission.
Important to note that an employee works within and is considered part of your business.

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