



## Carrying on a business – supporting information

Information to provide with your objection or private ruling request about carrying on a business.

### **Carrying on a business**



Information to provide with your objection or private ruling request about whether you are carrying on a business.

### **Carrying on a business of letting rental properties**



Information to provide with your objection or private ruling request about letting your rental properties.

### **Carrying on a business of providing short-term accommodation**



Information to provide with your objection or private ruling request about providing short-term accommodation.

QC 102540

## Carrying on a business

Information to provide with your objection or private ruling request about whether you are carrying on a business.

**Last updated** 24 June 2024

## How to lodge

To apply for a private ruling about carrying on a business:

- complete and submit a [private ruling application form](#)
- provide the supporting information listed below.

To lodge an objection about carrying on a business:

- complete and submit the relevant form
  - [Objection form – for taxpayers](#)
  - [Objection form – for tax professionals](#)
- provide the supporting information listed below.

Check first whether your question is answered in:

- [Carrying on a business of letting rental properties – supporting information](#)
- [Carrying on a business of providing short-term accommodation – supporting information](#)
- [Are you in business?](#)
- [Share investing versus share trading](#)
- [Changes to company tax rates](#)
- [TR 2019/1](#) *Income tax: when does a company carry on a business?*
  - This Ruling sets out guidance on when a company carries on a business within the meaning of ‘small business entity’ in section 23 of the *Income Tax Rates Act 1986* as applicable in the 2015–16 and 2016–17 income years and section 328-110 of the *Income Tax Assessment Act 1997*
- [TR 97/11](#) *Income tax: am I carrying on a business of primary production?*

- This Ruling sets out guidance on whether or not a business of primary production is being carried on, but the indicators discussed are relevant to any business.

## Supporting information

Providing this information up front will reduce delays.

If you've previously given us any of the information listed below, you don't need to resend it.

The information we need for a private ruling or objection about whether you are carrying on a business includes:

- details about your activity
  - when your activity commenced
  - a description of your activity
  - details of equipment and facilities you use in your activity (including depreciation schedules)
  - the records you keep in respect of your activity
  - your main clientele – for example, general public, friends or workmates
  - how your products or services are advertised
- details about your plans for the activity
  - a copy of your business plan
  - a copy of profit and loss statements (that is, income and expenses)
  - projected profit and loss statements showing how you intend to make a profit from your activity
  - details of any professional or expert advice you have sought in setting up or conducting your activity
- details about you
- any qualifications or expertise you possess in respect of your activity
- any relevant organisations you are a member of

- relevant publications you subscribe to
- copies of any relevant licences, government approvals or planning permits you have obtained or applied for
- how much time you spend on this activity each week
- whether you are engaged in employment or another business activity and the amount of time you spend on these activities each week.

## **Share trading**

If your activity is one of share trading or other share market activity, please also provide the following information and documents:

- a description of your trading strategy and why you expect it will result in a profit
- details of your trading transactions for the relevant period
- details of the amount of capital you have had invested at different times (giving an indication of the maximum and minimum amounts)
- the amount of capital you have available and the sources of your capital.

QC 19016

## **Carrying on a business of letting rental properties – supporting information**

Information to provide with your objection or private ruling request about letting your rental properties.

**Last updated** 24 June 2024

## **How to lodge**

To apply for a private ruling about whether you are carrying on a business of letting rental properties:

- complete and submit a [private ruling application form](#)
- provide the supporting information listed below.

To lodge an objection about whether you are carrying on a business of letting rental properties:

- complete and submit the relevant form
  - [Objection form – for taxpayers](#)
  - [Objection form – for tax professionals](#)
- provide the supporting information listed below.

The alternative for the carrying on of a business of letting rental properties is the holding of rental properties for investment purposes.

Check first to see whether your question is answered in:

- [Rental properties and travel expenses](#) – this explains who can and can't claim travelling expenses
- [Rental properties annual guide](#) – refer to the headings of *Co-owners of an investment property (not in business)* and *Partners carrying on a business of letting rental properties*, which explain that most rental activities are a form of investment and do not amount to carrying on a business
- Taxation Ruling [TR 97/11](#) *Income tax: am I carrying on a business of primary production?* – Paragraph 13 of TR 97/11 lists 8 indicators to determine whether a business is being carried on. Although this ruling refers to the business of primary production, these indicators apply equally to activities of a non-primary production nature, and in this case, rental properties.

## Supporting information

Providing this information up front will reduce delays.

If you've previously given us any of the information listed below, you don't need to resend it.

The information we need for a private ruling or objection about whether you are carrying on a business of letting a rental property

include (you need to provide us with these details for **each** property):

- details of the property that you currently own, or have sold, such as
  - the address of the property
  - the date you purchased the property and its purchase price
  - the reasons you purchased that particular property, in that location, at the time you purchased the property
  - your ownership interest in the property
  - the date when the property was first available for rent
  - the current market value of the property
  - an amount borrowed to purchase the property
  - any money still owing on any loans for the property
  - the date you sold the property, its sale price and the reasons why you sold it
- if you engage the services of property managers in relation to your property
  - the duties the property managers undertake in relation to the property
  - how much it costs you each year to engage the services of the property managers
- how the rent is collected and how you receive these amounts
- who advertises the property for rent, where the advertising is done and how frequently the property is advertised
- who draws up and negotiates the lease agreements and who vets the rental applications from potential tenants
- whether the property is leased as a long-term rental, short term rental, or both, and how long a typical lease agreement for the property is
- formal documents relating to the leasing of the property such as
  - lease agreements

- agreements in relation to the engagement of the services of real estate agents
- your involvement in any repairs and maintenance of the property and how often you carry out repairs and maintenance, including the amount of time you spend on this
- details of anyone else who attends to the repairs and maintenance of the property, under what circumstances that occurs, and how frequently that occurs
- the point of contact for tenants when they need assistance, or whether the tenants are responsible for arranging maintenance themselves
- who undertakes property inspections, when they occur, how often they occur and how much time they typically take
- the number of hours per week on average you spend dealing with issues relating to the rental property, including an itemised list of each of your activities and the time spent on each activity
- details of your employment, such as the number of hours per week you work and the location of your day-to-day work
- whether the rents are your only source of income
- details of any bank accounts used in relation to the rental property and if a separate account is kept specifically for the property
- how the rent amounts are determined and how often the rent charged is changed
- records you keep in relation to your rental activities and the property
- intentions you hold, or did hold in relation to the property, such as
  - your original intention for the property when it was first purchased
  - if your intention changed in relation to the property, why it changed and what your intention currently is in relation to the property
  - what activities you have undertaken to achieve your intended goal in relation to the property

- any future projections you have for each property
- any business plan you have in relation to the rental property and any strategies that are in place to expand your rental property activities
- why you regard yourself as carrying on a business of letting rental property rather than holding the property as a passive investor.

QC 63156

## Carrying on a business of providing short-term accommodation – supporting information

Information to provide with your objection or private ruling request about providing short-term accommodation.

Last updated 24 June 2024

### How to lodge

To apply for a private ruling about whether you are carrying on a business of providing short-term accommodation:

- complete and submit a [private ruling application form](#)
- provide the supporting information listed below.

To lodge an objection about whether you are carrying on a business of providing short-term accommodation:

- complete and submit the relevant form
  - [Objection form – for taxpayers](#)
  - [Objection form – for tax professionals](#)
- provide the supporting information listed below.

The alternative for the carrying on of a business of providing short-term accommodation is the holding of that property for investment purposes.

Check first to see whether your question is answered in Taxation Ruling [TR 97/11](#) *Income tax: am I carrying on a business of primary production?* Paragraph 13 of Taxation Ruling TR 97/11 lists 8 indicators to determine whether a business is being carried on. Although this ruling refers to the business of primary production, these indicators apply equally to activities of a non-primary production nature, and in this case, providing short-term accommodation.

## Supporting information

Providing this information up front will reduce delays.

If you've previously given us any of the information listed below, you don't need to resend it.

The information we need for a private ruling or objection about whether you are carrying on a business of providing short-term accommodation include (you need to provide us with these details for **each** property):

- details of the property you use in relation to your short-term accommodation activities, such as
  - the address of the property
  - the date you purchased the property and its purchase price
  - your ownership interest in the property
  - the reasons you purchased that particular property, in that location, at the time you purchased the property
  - your original intention for the property when it was first purchased and if that intention has changed
  - what the property has been used for from the time it was purchased until it commenced being used for short-term accommodation, and the periods involved
  - the date the property commenced being used for short-term accommodation

- any improvements made to prepare the property prior to the commencement of the short-term accommodation
- the current market value of the property
- any amount borrowed to purchase the property
- money still owing on any loans for the property
- if you sold the property, the date you sold it, the sale price and the reasons why it was sold
- how, where and through whom the property is advertised
- commission you pay to any short-term accommodation platforms or websites
- the number of hours per week on average you spend dealing with issues relating to the provision of the accommodation, including an itemised list of the activities of each of your activities and the time spent on each activity
- any other parties whose services are engaged in relation to the short-term accommodation activities, and
  - the activities they undertake
  - how often their services are engaged per week
  - the time they spend on those activities per week
- when the property is cleaned
- whether the property is cleaned at the request of the visitors, and if so, how often that occurs and whether you charge any additional fees for this service
- who the visitors contact if the property requires repair work during their stay and under what circumstances you personally would be contacted
- how the visitors gain access to the property and what is expected to occur when they leave the property
- what amenities and other services are provided to the visitors and how often they are provided
- how and when the visitors pay for their stay and who they pay

- how you receive the income from providing the short-term accommodation and when you receive it
- the amounts the visitors are charged and any breakdown of those amounts for any specific charges
- any separate costs charged for linen or cleaning and when that occurs
- any tariffs received, including
  - the amount of the tariff for staying at the property
  - whether the tariff varies during low and peak seasons
  - whether the visitors still have to pay the tariff for the original booking period if they decide to cut their stay short
- whether the amounts received from providing the short-term accommodation activities are your only source of income
- details of any bank accounts used in relation to providing the short-term accommodation and if a separate bank account is kept specifically for those activities
- how the amount paid by the visitors is determined and how often the amount charged is changed
- any goods and services tax component included in the charges to visitors
- if the visitors pay a deposit bond, to whom they pay it, and when they pay it
- formal or written documents relating to the short-term accommodation use of the property such as
  - any agreement the visitors enter into when using the property
  - documents provided by any platform used in relation to providing the short-term accommodation
  - terms and conditions for the use of the property by visitors during their stay as provided by the platform and/or you
  - financial statements in relation to providing the short-term accommodation during the period being considered
  - insurance policies for the property

- your business plan in relation to your short-term accommodation activities and any strategies you have in place to expand your activities and to achieve your goals, including future projections for the property
- what records you keep in relation to the property and your short-term accommodation activities
- what occurs if a visitor decides to cut their stay short
- any minimum and maximum periods the visitors can stay at the property
- when the property is inspected, by whom and how often the inspections are undertaken
- details of your employment, such as the number of hours per week you work and the location of your day-to-day work
- why you regard yourself as carrying on a business in relation to providing short-term accommodation rather than holding the property as a passive investor.

QC 63155

## **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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