Tax tip

Construction Contract Payment Reporting

Did you know…

Payments made to subcontractors for construction services must be reported to the Canada Revenue Agency (CRA) using a reporting system called the Contract Payment Reporting System.

Who needs to report?
Individuals, partnerships, trusts, or corporations who earn more than 50% of their business income from construction activities.

What needs to be reported?
Payments totaling $500 or more (including GST/HST) per reporting period made to subcontractors for construction services or for mixed goods and services if there is a service component of $500 or more. Goods-only payments do not have to be reported.

When do I report?
Businesses can report payments on either a calendar- or fiscal-year basis. They must file the return within six months after the end of the reporting period to which it pertains.

How do I report?
Contractors can report payments made to subcontractors by completing the T5018 Information Return, which includes the T5018, *Statement of Contract Payments,* and the T5018SUM, *Summary of Contracts Payments*. These are available online in a format that allows a contractor to enter the required data, and which can then be printed for submission to the CRA. Contractors can also submit their own form, provided it includes all of the information required along with a list of the total payments made to each subcontractor.

Where do I send my report?
Send the completed information to the following address:

Ottawa Technology Centre
875 Heron Road
Ottawa ON K1A 1A2

For more information on the Contract Payment Reporting System, go to:
www.cra-arc.gc.ca/tx/bsnss/cntrct/menu-eng.html