



# e-News

Monday, 19th June, 2023

Newsletter No 100

## Is my Side Hustle a Business?



As the cost of living continues to rise, more individuals are seeking innovative ways to earn extra income on the side. These additional sources of revenue, commonly referred to as "side hustles," can include anything from mowing lawns for friends and family to selling items on eBay, creating online content, drop-shipping, becoming an influencer, and more. While this supplementary income can be a welcome boost, it's crucial to understand when you need to report your earnings from your side hustle for tax purposes.

The first step is to determine whether or not you are operating a business. The Australian Taxation Office (ATO) has provided a list of questions that can assist you in

making this determination. These questions include:

- Do you intend to operate a business?
- Do you have the intention and prospect of earning a profit from your activities?
- Is the size or scale of your activity sufficient to generate a profit?
- Are your activities continuous and repeated?
- Are your activities planned, organised, and conducted in a business-like manner? For example, do you:
  - Keep business records and maintain a separate business bank account?
  - Advertise and sell your goods and services to the public, rather than just to family or friends?
  - Operate from business premises?
  - Maintain any necessary licences or qualifications?
  - Have a formal business plan or budget?
  - Have a business name or an ABN?

In addition to these questions, the ATO provides a definition of what constitutes a business:

*"Typically, a business involves a series of continuous and repeated activities that you undertake with the intention of generating a profit. Profit can take the form of money, but it can also be earned through other means, such as receiving goods or services (such as a barter deal). A one-time transaction may also qualify as a business if it is either:*

- *intended to be repeated*
- *the first step in starting a business.*

*You can operate one or multiple businesses simultaneously."*

In essence, if you are attempting to earn a profit from your side hustle, rather than simply supplementing your overall income, there is a strong possibility that you are operating a business. If this applies to you, the next step is to seek advice on your obligations regarding reporting your income and whether or not you need to register for GST and obtain an ABN. We will cover this topic in our upcoming newsletter.

## Latest Articles

~~DO NOT  
INCLUDE~~

### **What NOT to include in Payslips for Paid Family & Domestic Violence Leave**

Something important to call out in relation to paying this leave is the information that is prohibited from being included on the employee's payslip.



### **eInvoicing: What is it and How to Get Started**

This is a list of common business purchases and whether or not each one includes GST or not. Bookmark it now to make your bookkeeping and BAS prep easier!



## New Paid Family & Domestic Violence Leave

Employees (full-time, part-time, and casual), will soon be able to access 10 days of paid family and domestic violence leave in a 12-month period. This will replace the current 5 days of unpaid leave available to affected employees.



## ATO STP Filing Error Codes – what do they mean and how do you fix them?

If you haven't set up payroll for STP 2 purposes correctly, you will experience ATO filing errors. See here how to fix these, including a full list of error codes.

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