

A GUIDE TO TFNs and ABNs in Strata

What is a TFN?

A Tax File Number (TFN) is an entity's unique reference number in the Australian Taxation System. It is assigned by the Australian Taxation Office (ATO) and may be either 8 or 9 digits long depending upon when the TFN was registered. No entity (individual or corporate) shares the same TFN as another.

A TFN is required by a strata company to:

- lodge a tax return, and/or
- apply for an Australian Business Number.

In addition, TFNs are also widely used by the ATO as the means of identification when updating contact and financial institution details. It is therefore very important to keep TFNs secure and to not lose them.

What is an ABN?

An Australian Business Number (ABN) is another type of unique reference number used by the ATO. Unlike a TFN, eligibility for an ABN is restricted to business entities only. It does not replace a TFN but instead, must be linked to one.

An ABN is required by a strata company to:

- register for and claim GST
- take on employees (eg: caretakers)
- avoid tax being withheld on some receipts.

ABNs are listed on a publicly available register called the '[Australian Business Register](#)' (ABR). Whilst it is still recommended to keep ABNs securely stored, they can usually be sourced via the ABR if they do happen to be misplaced.

Does a strata company need an ABN and / or TFN?

Strictly speaking, there is no express requirement for a strata company to obtain an ABN and / or a TFN unless they are required to prepare a tax return* or register for other taxes (eg: GST). That being said, there can be consequences for not having them in place.

Common examples of potential consequences are:

- having tax withheld from bank interest, and
- difficulty in setting up accounts with some suppliers who require them as part of their processes.

*A strata tax return is required for any year in which \$1 or more of income is derived from non-owners. This includes bank interest and amounts received for the provision of status certificates. See our 'A Guide to Strata Income Tax Matters' flyer for more detail.

What are the costs involved?

[Click here to find out more >](#)