

Completing your 2008 fringe benefits tax return



Fringe benefits tax returns must be lodged with us by 21 May 2008. Full details including how to lodge your return are included in these instructions.



For more information visit www.ato.gov.au



OUR COMMITMENT TO YOU

We are committed to providing you with advice and information you can rely on.

We make every effort to ensure that our advice and information is correct. If you follow advice in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it. However, we will not charge you a penalty or interest if you acted reasonably and in good faith.

If you make an honest mistake when you try to follow our advice and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

You are protected under GST law if you have acted on any GST advice in this publication. If you have relied on GST advice in this publication and that advice later changes, you will not have to pay any extra GST for the period up to the date of the change. Similarly, you will not have to pay any penalty or interest.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser.

The information in this publication is current at February 2008. We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at www.ato.gov.au or contact us.

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ABOUT THESE INSTRUCTIONS

This guide provides information to help you complete the 2008 fringe benefits tax (FBT) return for your business.

This guide includes:

- step-by-step instructions, and
- examples from a completed return to help you provide the information we need.

You can obtain information about how to calculate the taxable value of fringe benefits:

- online in *Fringe benefits tax: a guide for employers* (NAT 1054), or
- phone **1300 720 092**.

If a tax practitioner is preparing your annual FBT return, different lodgment arrangements from those outlined in this guide may apply.

CHANGES FOR 2008

The 2008 paper FBT return has been revised so we can scan it using optical character recognition (OCR). If lodging by paper, use a Tax Office supplied FBT return.

Phone us on **1300 720 092** to order a copy of the *2008 Fringe benefits tax (FBT) return* (NAT 1067).

Who must lodge an FBT return?

You must lodge a 2008 FBT return if you have an FBT liability for the year ending 31 March 2008.

You don't need to lodge an FBT return if your fringe benefits taxable amount for the year ending 31 March 2008 is nil. If you are registered for FBT but don't need to lodge an FBT return for the year, complete a *Notice of non-lodgment* (NAT 3094) and send it to:


Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

If you had FBT instalment obligations during the year and did not vary those instalments to nil, lodging an FBT return will allow us to update our records and make these credits available to you.

When your return is due

You must lodge your return with us by 21 May 2008 unless you lodge via a tax agent who has been given another lodgment date. If you prepare and lodge your own return and need additional time, phone us before the due date on **13 11 42** between 8.00am and 6.00pm, Monday to Friday.

Penalties for not lodging on time

 You may incur an administrative penalty if you lodge your return after the due date without making an arrangement with us.

The table below shows the penalties that apply by entity size and the period the return is overdue.

A large entity:

- is a large withholder for pay as you go (PAYG) withholding purposes, or
- has assessable income or current GST turnover of \$20 million or more.

A medium entity:

- is a medium withholder for PAYG withholding purposes, or
- has assessable income or current GST turnover of more than \$1 million and less than \$20 million.

A **small entity** is an entity that is neither a medium nor large entity.

Failure to lodge on time penalty amounts

Days overdue	Large	Medium	Small
28 days or less	\$550	\$220	\$110
29 to 56 days	\$1,100	\$440	\$220
57 to 84 days	\$1,650	\$660	\$330
85 to 112 days	\$2,200	\$880	\$440
113 days or more	\$2,750	\$1,100	\$550

This penalty is in addition to any general interest charge that may apply if you don't pay any tax you owe by the due date.


How to lodge your return

If you pay your FBT by instalments, you must lodge all your activity statements for the FBT year ending 31 March 2008, including the March 2008 quarter, before lodging your FBT return. We can then update your FBT account.

If you are lodging by paper, send your completed and signed return to:

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY


Your tax agent can lodge your FBT return via the electronic lodgment service.

 Do not send your return to a post office or licensed agency.

If your return contains a mistake

If you realise you've made a mistake after lodging your return, you must write to us as soon as possible at the address above, requesting an amended assessment. You must sign the request and provide the following information:

- the name of employer
- tax file number
- reason for the amendment
- exact adjustment to each benefit category, including the corrected taxable values
- whether the benefits are type 1 or type 2, and
- the amended taxable value.

 It is important to advise us of any mistakes as soon as possible because you may incur a penalty for an incorrect return.

HOW TO PAY

You must pay the total FBT amount you owe for the year ending 31 March 2008 by 21 May 2008 unless you have made other arrangements with us. We will credit any FBT instalment amounts you reported on your four activity statements for the 2008 FBT year against your total 2008 FBT liability.

If a tax practitioner is preparing and lodging your annual FBT return, a different payment date may apply.

You can round your FBT payments down to the nearest multiple of five cents.

We offer several different payment methods.

BPAY®

BPAY lets you transfer funds electronically to us from your cheque or savings account using your financial institution's phone or internet banking service.

Quote:

- our biller code (75556), and
- the EFT (electronic funds transfer) code as the customer reference number.

Phone **1800 815 886** if you need help finding the EFT code.

We recommend you check processing deadlines with your financial institution to ensure your payments reach us on or before the due date.

Direct credit

You can make your payments by direct credit if you have:

- a desktop computer banking software package, or
- access to a 'third party/pay anyone' option through your internet banking facility.

Send payments from a cheque or savings account to our direct credit account:

- BSB – 093 003
- account – 316 385.

 You must enter your EFT code in the lodgment reference field.

For more information about direct credit payments, phone **1800 815 886**.

Direct debit

Direct debit electronically debits your tax liability from your financial institution account (not a credit card). Phone **1800 802 308** for:

- more information, or
- a direct debit request form.

Mail payments

You can send a cheque or money order to the address printed on your payment slip. If you do not have a payment slip, supply the following details:

- name
- address
- tax file number (TFN), Australian business number (ABN) or client identification number, and
- type of payment.

Cheques and money orders must not be post-dated and must be:

- payable to the 'Deputy Commissioner of Taxation'
- crossed 'Not negotiable', and
- tendered in Australian dollars.

Send your payment to:

WA, SA, NT, Tas and Vic
Australian Taxation Office
Locked Bag 1936
ALBURY NSW 1936

ACT, NSW and Qld

Australian Taxation Office
Locked Bag 1793
PENRITH NSW 1793

You must allow sufficient time for your payment to reach us on or before the due date. If your payment is late you may be subject to the general interest charge. For more information about mail payments, phone us on **1800 815 886**.

Post office payments

If you have a pre-printed payment slip with a barcode, you can pay in person at any Australia Post outlet. Photocopies of payment slips are not accepted. A receipt is issued for any payment you make in person at a post office. You can make payments with:

- cash (a \$3,000 limit applies)
- money orders
- cheques, or
- EFTPOS (available at most Australia Post outlets).

If you use EFTPOS, you can only make payments (up to your daily withdrawal limit) using savings or cheque accounts. For more information about paying in person at an Australia Post outlet, phone **1800 815 886**.

Do not lodge your return at a post office or licensed postal agency.

Other payment information

Payment difficulties

If you cannot pay your FBT on time, you must phone **13 11 42** between 8.00am and 6.00pm, Monday to Friday and explain your reasons.

Paying next year's FBT in instalments

If this is not your final FBT return and your tax liability for this year is \$3,000 or more, you must lodge and pay activity statements for quarterly FBT instalments for the 2009 FBT year. These are the quarters ending 30 June, 30 September, 31 December and 31 March.

We will send you a pre-printed activity statement before the lodgment date, including the:

- due dates for lodging and paying, and
- FBT instalment amount.

You can vary the amount pre-printed on the statement, refer to *Fringe benefits tax – how to complete your activity statement* (NAT 7389). If you make a balancing payment, do this when you lodge your annual return.

HOW TO COMPLETE YOUR 2008 FBT RETURN (AS A TAXABLE EMPLOYER)

This information will help you complete each item in the *Fringe benefits tax (FBT) return* (NAT 1067). For your tax records, you must keep your:

- calculations
- worksheets
- declarations
- elections, and
- support details.

You do not need to submit these with your return.

1

Tax file number (TFN)

Print the TFN of the employer in the box provided.

Ensure the TFN of the employer matches your FBT registration, particularly if you operate through a trust.

If you don't have a TFN

If you don't have a TFN, complete a *Tax file number application for companies and other organisations* (NAT 3799). You can complete the application form online and lodge it electronically through www.business.gov.au or www.abr.gov.au

You can also obtain a paper copy by phoning **13 28 66** between 8.00am and 6.00pm, Monday to Friday. Mail your completed application to us or lodge it electronically via a tax agent.

If you are a sole trader, you must complete a *Tax file number application or enquiry for an individual* (NAT 1432). Send this paper form and evidence of your identity to us.

It is not an offence not to quote your TFN. However, not quoting it may increase the risk of administrative error and result in processing delays.

2

Australian business number (ABN)

Your ABN is a unique 11-digit number issued to your business because you have registered in the Australian Business Register. It helps identify you for tax purposes.

If you are registered in the Australian Business Register, print your ABN in the box provided.

3

Name of trustee or senior partner

If your organisation is a trust or partnership, provide the name of your trustee or senior partner. Otherwise, leave this item blank.

If the name of your trustee or senior partner has not changed, provide the details exactly as shown on the last FBT return you lodged. If the name of your trustee or senior partner has changed, provide the new details.

4

Name of employer

Provide your name. Only complete the individual or non-individual part, as applicable. If your name has not changed, provide the details exactly as shown on the last FBT return you lodged. If your name has changed, provide the new details.

5

Postal address

Provide your current postal address. If your address has not changed, provide the details exactly as shown on the last FBT return you lodged. If your address has changed, provide the new details.

6

Previous name and/or postal address

If your employer name and/or postal address have changed, provide the details exactly as shown on the last FBT return you lodged. Otherwise leave this item blank. You must provide evidence of your name change.

7

Current business/trading name and/or address

If this is your first FBT return, provide your business or trading name and the street address of your main business location.

If this is not your first return, but you have changed your business or trading name or address since you lodged your last return, provide the new details.

Otherwise, leave this item blank.

8

Previous name of trustee or senior partner

If your organisation is a trust or partnership and your details have changed, provide the previous name of the trustee or senior partner of your organisation exactly as shown on the last FBT return you lodged. Otherwise, leave this item blank.

9

Name of the person to contact

Provide the name, daytime phone number and email address of a person we can contact, if necessary, about the information in your return.

10

Number of employees receiving fringe benefits

Show the total number of employees and their associates who received fringe benefits during the period 1 April 2007 to 31 March 2008. Your total must include any former or future employees or their associates, who received fringe benefits during the FBT year.

11**Hours taken to prepare and complete this form**

We are committed to reducing the costs you incur in complying with your tax obligations. Your response to this question is voluntary, but your answers will help us monitor these costs.


When completing this question, consider the time (rounded up to the nearest hour) you spent:

- reading the instructions
- collecting the information necessary to complete this return
- making any necessary calculations, and
- completing this return and/or putting your business tax affairs in order so you could give the information to your tax agent.

Do not include the time your tax agent took to prepare and complete this return.

12**Do you expect to lodge an FBT return for 2008–09 or future years?**

Advise us if you plan to continue lodging FBT returns. If you have provided taxable fringe benefits after 31 March 2008, they fall into the 2009 FBT year and you may need to lodge a 2009 FBT return. Print Y for 'yes' or N for 'no' in the applicable box.

 Your FBT registration and any future instalments will be cancelled if you answer no to this question.

13**Calculated fringe benefits taxable amounts**

Before you can calculate the taxable value of any benefit, you must identify the category the benefit falls into. Each category of benefit is described in *Fringe benefits tax – a guide for employers* (NAT 1054).

GST affects the calculation of your FBT liability.

About aggregate amounts**Type 1 aggregate amount**

A type 1 aggregate applies if you (or a member of the same GST group) are entitled to a GST credit for goods or services you acquired in providing fringe benefits. To work out this amount:

- start with an employee's individual fringe benefits amount, and
- calculate the FBT liability using the formula on page 8.

The rate you use for your calculations is higher than the rate for calculating a type 2 aggregate because it recovers the GST credit you are entitled to.

For example, you provide an employee with a DVD player costing \$660 including GST. If you are registered for GST, you can claim the GST credits. This is a type 1 fringe benefit that you calculate at the higher rate.

Type 2 aggregate amount

Type 2 fringe benefits are those that you (or a member of the same GST group) cannot claim GST credits for because:

- you (or they) are not entitled to (for example, you are not registered for GST), or
- there are no GST credits available because the benefit is:
 - GST-free, such as school fees, or
 - input taxed, such as housing other than commercial accommodation.

To work out this amount:

- start with an employee's individual fringe benefits amount, and
- calculate the FBT liability using the formula on page 8.

The rate you use for your calculations is lower than the rate for calculating a type 1 aggregate because you are not entitled to a GST credit.

For example, you reimburse an employee \$700 for their child's school fees. School fees are GST-free, therefore you can't claim a GST credit. This is a type 2 fringe benefit that you will calculate at the lower rate.

Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only)

You must complete only item 13C and not items 13A and 13B if you are a:

- public benevolent institution (PBI)
- health promotion charity
- public hospital
- non-profit hospital, or
- public ambulance service.

Other employers, including rebatable employers, should leave item 13C blank.

How to calculate aggregate amounts

13A Calculate the type 1 aggregate amount

To calculate your type 1 aggregate amount:

- work out each employee's individual fringe benefits amount for fringe benefits that are GST-creditable (that is, where you or a member of the same GST group were entitled to a GST credit)
- add them together, and
- add any excluded fringe benefits that are GST-creditable to the total amount.

The actual formula used to calculate this amount is:

$$\text{Type 1 aggregate fringe benefits amount} \times \frac{\text{FBT rate} + \text{GST rate}}{(1 - \text{FBT rate}) \times (1 + \text{GST rate}) \times \text{FBT rate}}$$

The higher FBT gross-up formula for the type 1 aggregate fringe benefits amount results in a gross-up rate of 2.0647 where the FBT rate is 46.5% and the GST rate is 10%.

EXAMPLE: Calculate the type 1 aggregate amount

An employer provides the following benefits to their employees:

- car fringe benefit calculated using the statutory formula method (GST taxable supply with an entitlement to a GST credit), and \$10,000
- meal entertainment fringe benefits – restaurant meals (excluded fringe benefits, with an entitlement to a GST credit). \$1,000

Type 1 individual fringe benefits amount	\$10,000
Type 1 excluded fringe benefits amount	\$1,000
Type 1 aggregate amount	\$11,000

= \$11,000 × 2.0647
= **\$22,711.70**

13B Calculate the type 2 aggregate amount

To do this:

- work out each employee's individual fringe benefits amount for those benefits that are not GST-creditable benefits (that is, where the provider, or a member of the same GST group, did not pay GST or a GST credit was not allowed when the benefits were acquired)
- add them together, and
- add any excluded fringe benefits that are not GST-creditable benefits to the total amount.

The actual formula used to calculate this amount is:

$$\text{Type 2 aggregate fringe benefits amount} \times \frac{1}{(1 - \text{FBT rate})}$$

The formula for the type 2 aggregate fringe benefits amount results in a gross-up rate of 1.8692 where the FBT rate is 46.5%.

EXAMPLE: Calculate the type 2 aggregate amount

An employer provides the following benefits to their employees:

- Expense payment fringe benefits – school fees (GST-fee supplies with no GST credit entitlement) \$6,000
- Expense payment fringe benefits – remote area rent (excluded fringe benefit, input taxed with no GST credit entitlement) \$3,000

Type 2 individual fringe benefits amount	\$6,000
Type 2 excluded fringe benefits amount	\$3,000
Type 2 aggregate amount	\$9,000

= \$ 9,000 × 1.8692
= **\$16,822.80**

You would show the figures from these two examples at item 13 as:

13 Calculated fringe benefits taxable amounts (whole dollars only)

A Type 1 aggregate amount \$ ~~·X~~ × 2.0647 = \$ ~~·X~~ **A**

B Type 2 aggregate amount \$ ~~·X~~ × 1.8692 = \$ ~~·X~~ **B**

C Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only) or \$ ~~·X~~ **C**

13C Aggregate non-exempt amount

This applies to you only if you are a:

- PBI
- health promotion charity
- public hospital
- non-profit hospital, or
- public ambulance service.

(See 'How to complete your FBT return as a non-profit organisation' on page 13.)

Other employers, including rebatable employers, should leave item 13C blank.

14 Fringe benefits taxable amount

Add the amounts at items 13A and 13B and place the total at item 14.

You must complete this item even if the amount is nil.

15 Amount of tax payable

This is 46.5% of the amount you wrote at item 14 (the FBT rate multiplied by the fringe benefits taxable amount).

You must complete this item even if the amount is nil.

16 Aggregate non-rebatable amount

This item applies to you only if you are a rebatable employer (a certain kind of non-government, non-profit organisations eligible for a rebate of 48% of the amount of FBT payable).

If you are not a rebatable employer, leave this item blank and go to item 18.

17 Amount of rebate

This item applies to you only if you are a rebatable employer.

If you are not a rebatable employer, leave this item blank.

18 Sub-total

Subtract the amount at item 17 (if any) from item 15 and show the total amount at item 18.

If you are not a rebatable employer, this amount is the same as item 15.

19 Less instalment amounts reported on activity statements

Add together the FBT instalment amounts reported on your four activity statements for the 2008 FBT year and show the total amount at item 19. This amount will be credited against your 2008 FBT liability. Do not include any amount paid for:

- penalties, or
- any other year's liability.

If you pay your FBT by instalments, you must lodge all of your activity statements for the FBT year ending 31 March 2008, including the March 2008 quarter before lodging your FBT return. We can then update your FBT account.

If you do not pay your FBT by instalments, leave this item blank.

EXAMPLE: Amounts reported on activity statements

An employer has paid the following instalments on their activity statements during the 2008 FBT year:

Quarter ending 30 June 2007	\$4,000
Quarter ending 30 September 2007	\$4,000
Quarter ending 31 December 2007	\$4,000
Quarter ending 31 March 2008	\$4,000
Total instalments for the 2008 FBT year	\$16,000

You would show the amount at item 19 as \$16,000.

20 Payment due

If the amount at item 19 is more than the amount at item 18, go to item 21.

If the amount at item 19 is less than the amount at item 18, show at item 20 the exact difference between the amounts.

The amount at item 20 is the difference between the amount you:

- have paid throughout 2008, and
- must pay by 21 May 2008 (unless you have made other arrangements with us).

This amount may be rounded down to the nearest multiple of five cents. For payment methods see 'How to pay' on page 4.

21 Credit due to you

If the amount at item 19 is more than the amount at item 18, show at item 21 the exact difference between the amounts. We will credit this amount to you. However, if you owe us money for other taxes, we may reduce the amount of the credit you show at item 21.

22**Details of fringe benefits provided****Taxable value of benefits**

There are specific valuation rules for each category of fringe benefit. You must identify the category of benefit provided and do the appropriate calculations for that category before you can:

- calculate the taxable value of any benefit, and
- complete the details in the column headed 'Taxable value of benefits'.

The amounts you show at this item should be before the gross-up calculation is made.

For more information about the calculations, refer to *Fringe benefits tax: a guide for employers* (NAT 1054).

You must include the taxable value of benefits provided before the capping amounts (\$30,000 or \$17,000) are deducted (not the aggregate non-exempt amount), if you are a:

- PBI
- health promotion charity
- public hospital
- non-profit hospital, or
- public ambulance service.

The information you include in the 'Taxable value of benefits' column is based on the total of the individual base non-exempt amounts for all employees calculated at steps 3 and 5 of item 13C (see page 17).

Number

Show the number of cars, loans or houses (or other units of accommodation) used to provide car, loan or housing fringe benefits at items:

A (*Cars using the statutory formula*)

B (*Cars using the operating cost method*)

C (*Loans granted*), and

F (*Housing: units of accommodation provided*).

For item G, show the number of employees who received a living-away-from-home allowance.

Gross taxable value (a)

This is the sum of the taxable values of fringe benefits of that particular benefit category before any reductions (for example, employee contributions).

Employee contribution (b)

This is the total of employee contributions made for that benefit category.

If you reduce the taxable value of a benefit by the amount of an employee contribution, the employee must make the contribution before you lodge your return. Special arrangements apply where the contribution is made by a journal entry in the employer's accounts (refer to *Miscellaneous Tax Ruling MT2050*).

Any excess employee contribution for one benefit cannot be used to offset the taxable value of other benefits provided to that employee or other employees.

Employee contributions you receive:

- are generally assessable for income tax purposes, and
- should be included in your income tax return.

If you lodge a company, trust or partnership return, you should also show the amount of employee contributions you received on that return.

We treat employee contributions (other than a contribution of services as an employee) as consideration for a taxable supply for GST purposes. Accordingly, you must pay GST on the supply. The GST-inclusive employee contribution reduces the taxable value of the fringe benefit.

GST will not form part of an employee's contribution where the:

- benefit is either GST-free or input taxed
- GST was paid to a third party (for example, for fuel)
- provider of the benefit is not registered or required to be registered for GST, or
- benefit is not a taxable supply.

Value of reductions (c)

This is the total amount where benefits of that category have been reduced:

- under the 'otherwise deductible' rule, or
- by other means, for example, in relation to in-house fringe benefits.

The 'otherwise deductible' rule only applies if:

- the recipients of the benefits are current employees, and
- you obtain from them any necessary supporting documents such as
 - declarations
 - receipts, or
 - invoices.

You should obtain these before you lodge your return. However, you may lodge your return before obtaining the receipts or invoices if you have good reason to expect them within a reasonable time.

Taxable value of benefits (a) – (b) – (c)

This is the sum of the taxable values of fringe benefits of that particular benefit category, after taking into account any employee contributions and/or other reductions for each fringe benefit.

If the employee contributions or reductions are greater than the benefit you provided, show zero on the FBT return, not a negative amount.

See 'Details of fringe benefits provided: categories' on page 23 for more information on how to complete this item.

23

Tax agent's declaration

Any person who has charged, or will charge, a fee for preparing this return – either directly or indirectly – must sign this declaration.

Tax agents do not need to have clients sign the return at item 24. However, tax agents must obtain a declaration from clients stating that:

- the information they provided is true and correct, and
- they have authorised the agent to lodge the return.

24

Employer's declaration

You must complete this item if you lodge your own return. Before signing, make sure you:

- have provided all necessary information, and
- are satisfied the information is correct.

It is especially important that you complete items 14 and 15 as these items form the basis of self-assessing any FBT liability.

The Tax Office is authorised by the *Fringe Benefits Tax Assessment Act 1986* and the *Taxation Administration Act 1953* to ask for information on this return. We need this information to help us to administer the tax laws. We may give this information to other government agencies authorised in taxation law – for example:

- the Australian Bureau of Statistics, and
- the Reserve Bank of Australia.

We may not consider incomplete or unsigned returns to be lodged.

We give concessional FBT treatment to certain benefits you provide to employees if your organisation is a:

- rebatable employer
- public benevolent institution (PBI) or health promotion charity
- public hospital, non-profit hospital or public ambulance service, or
- non-profit organisation operating a PBI employer.

See the specific instructions for completing the FBT return for your category.

REBATABLE EMPLOYERS

Rebatable employers are certain non-government, non-profit organisations.

Those that qualify for an FBT rebate include:

- certain religious, educational, charitable, scientific or public educational institutions
- trade unions and employer associations
- non-profit organisations established to encourage music, art, literature or science
- non-profit organisations established to encourage or promote a game, sport or animal races
- non-profit organisations established for community service purposes
- non-profit organisations established to promote the development of aviation or tourism
- non-profit organisations established to promote the development of Australian information and communications technology resources, and
- non-profit organisations established to promote the development of Australia's agricultural, pastoral, horticultural, viticultural, aquacultural, fishing, manufacturing or industrial resources.

➤ From 1 July 2005, we must endorse your charity if you want to access this concession. For more information about eligibility including endorsement, phone **1300 130 248**.

1 to 12

Complete these items in the same way as a taxable employer.

13

Calculated fringe benefits taxable amounts

Complete these items in the same way as a taxable employer.

Item 13C applies only to you if you are a:

- public benevolent institution (PBI)
- health promotion charity
- public hospital
- non-profit hospital, or
- public ambulance service.

⚠ Other employers, including **rebatable** employers, should leave item 13C blank.

EXAMPLE: Calculated fringe benefits taxable amounts for a rebatable employer

A rebatable employer provides fringe benefits to 10 of their employees. All 10 employees have their children's school fees paid for as an expense payment and two of the employees are also provided with cars for private use.

The car fringe benefits are type 1 benefits as they are GST taxable supplies with an entitlement to a GST credit.

Car fringe benefit calculated using the statutory formula method (GST taxable supply with an entitlement to a GST credit)	\$14,000
---	----------

Car fringe benefit calculated using the statutory formula method (GST taxable supply with an entitlement to a GST credit)	\$15,000
---	----------

Type 1 aggregate amount	\$29,000
--------------------------------	-----------------

= \$29,000 × 2.0647
= **\$59,876.30**

The school fees are type 2 benefits as they are GST-free supplies with no GST credit entitlement.

10 × expense payment fringe benefits: school fees (GST-free supplies with no GST credit entitlement)	10 × \$6,000
--	-----------------

Type 2 aggregate amount	\$60,000
--------------------------------	-----------------

= \$60,000 × 1.8692
= **\$112,152.00**

You would show the figures from this example at item 13 as:

13 Calculated fringe benefits taxable amounts (whole dollars only)

A Type 1 aggregate amount \$, x 2.0647 = \$, A

B Type 2 aggregate amount \$, x 1.8692 = \$, B

C Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only) or \$, C

14 to 15

Complete these items in the same way as a taxable employer.

16

Aggregate non-rebatable amount

This item applies only if you are a rebatable employer.

From 1 April 2001, the total grossed-up value of benefits that can be provided to each employee of a rebatable employer, without losing the existing concessions, is capped at \$30,000.

If the total gross value of the fringe benefits you provided to an individual employee exceeds \$30,000, you cannot claim a rebate for the FBT liability on the excess amount. This is called the aggregate non-rebatable amount. Calculate this amount using the following steps.

Step	Action
1	For each employee, establish the amount that would be the employee's individual fringe benefits amount. From that amount, identify those fringe benefits that are GST-creditable benefits. GST-creditable benefits are benefits the provider, or a member of the same GST group, was entitled to a ST credit on).
2	Work out the employee's share of the taxable value of excluded fringe benefits. Those excluded fringe benefits are outlined in <i>Fringe benefits tax: a guide for employers</i> (NAT 1054). The following excluded fringe benefits are not included in the notional taxable value of benefits provided to the employee: <ul style="list-style-type: none"> ■ those benefits considered the provision of meal entertainment ■ car parking fringe benefits, and ■ entertainment facility leasing expenses.

3	Identify those excluded fringe benefits that are GST-creditable benefits (that is, where the provider was entitled to a GST credit on their acquisition). Add this amount to step 1. This is the type 1 individual base non-rebatable amount.
4	Gross up the type 1 individual base non-rebatable amount by multiplying it by 2.0647.
5	Identify those fringe benefits and excluded fringe benefits that are not GST-creditable benefits (that is, where the provider or a member of the same GST group was not entitled to a GST credit on their acquisition). This is the type 2 individual base non-rebatable amount.
6	Gross up the type 2 individual base non-rebatable amount by multiplying it by 1.8692.
7	Add the grossed-up type 1 individual base non-rebatable amount and the grossed-up type 2 individual base non-rebatable amount. The result is the individual grossed-up non-rebatable amount.
8	Subtract \$30,000 from the individual grossed-up non-rebatable amount for each employee. If the individual grossed-up non-rebatable amount for an employee is equal to or less than \$30,000, the amount calculated under this step is nil.
9	Add together all the amounts calculated above for each employee.
10	Multiply the total amount calculated under step 9 by the FBT rate of 46.5%. The result is your aggregate non-rebatable amount for the FBT year.

If your aggregate non-rebatable amount is nil, place a zero at item 16.

17

Amount of rebate

Show at item 17 the amount of rebate you are entitled to.

If you complete item 17, you must also complete item 16, even if the amount is nil.

Use the following formula to calculate the rebate amount:

$$0.48 \times \frac{\text{(gross tax – aggregate non-rebatable amount)}}{\text{total days in year}} \times \frac{\text{rebatable days in year}}{\text{total days in year}}$$

Gross tax is the amount at item 15, that is, the total amount of tax calculated on the fringe benefits taxable amount.

The aggregate non-rebatable amount is the portion of the taxable value of fringe benefits you cannot obtain a rebate for, calculated at item 16.

Rebatable days in the year mean the number of days during the FBT year that you qualified as a rebatable employer.

The total days in the year means the number of days you were an employer.

EXAMPLE: Calculate the amount of rebate

Using the example from item 13, the rebatable employer has a fringe benefits taxable amount of \$172,028 (\$59,876 + \$112,152) and gross tax of \$79,993.02 (\$172,028 × 46.5%). The employer was rebatable for the whole FBT year.

The two employees provided with cars as well as expense payment fringe benefits have an individual grossed-up non-rebatable amount greater than \$30,000. One employee has an amount of \$40,121.00 and the other has an amount of \$42,185.70.

The calculation of the aggregate non-rebatable amount is as follows:

$$((\$40,121.00 - \$30,000) + (\$42,185.70 - \$30,000)) \times 46.5\% = \$10,372.62$$

The calculation of the amount of rebate would be:

$$0.48 \times (\$79,993.02 - \$10,372.62) = \$33,417.79$$

18

Sub-total

Show at item 18 the amount at item 15 less the amount (if any) at item 17.

19 to 24

Complete these items in the same way as a taxable employer.

You would show the figures on the return at items 14 to 18 as:

14 Fringe benefits taxable amount	(A + B) or C	\$ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="2"/> , <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="8"/> . <input type="text" value="X"/>
15 Amount of tax payable (46.5% of item 14 amount)		\$ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value="7"/> <input type="text" value="9"/> , <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="3"/> . <input type="text" value="0"/> <input type="text" value="2"/>
<input type="button" value="➤ If you are not a rebatable employer, go to question 18 Sub-total."/>		
16 Aggregate non-rebatable amount		\$ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value="1"/> <input type="text" value="0"/> , <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="2"/> . <input type="text" value="6"/> <input type="text" value="2"/>
<input type="button" value="➤ Refer to How to complete your 2008 fringe benefits tax return (NAT 2376) for more information."/>		
17 Amount of rebate: 48% of (item 15 amount less item 16 amount)		\$ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value="3"/> <input type="text" value="3"/> , <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="7"/> . <input type="text" value="7"/> <input type="text" value="9"/>
18 Sub-total (item 15 amount less item 17 amount)		\$ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value="4"/> <input type="text" value="6"/> , <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="5"/> . <input type="text" value="2"/> <input type="text" value="3"/>

EXAMPLE: A completed return for a rebatable employer

This is an example of the return calculation details of a completed 2008 FBT return. The figures we use are from the examples at items 13, 17 and 19 of this section of the guide. You must show the exact amount of cents on the return. However, you may round down your payment to the nearest multiple of five cents.

Return calculation details

Refer to *How to complete your 2008 fringe benefits tax return* (NAT 2376) for more information.

13 Calculated fringe benefits taxable amounts (whole dollars only)

A Type 1 aggregate amount \$, ~~×~~ x 2.0647 = \$, ~~×~~ **A**

B Type 2 aggregate amount \$, ~~×~~ x 1.8692 = \$, ~~×~~ **B**

C Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only) or \$, , ~~×~~ **C**

14 Fringe benefits taxable amount (A + B) or C \$, ~~×~~

15 Amount of tax payable (46.5% of item 14 amount) \$, .
 If you are not a rebatable employer, go to question 18 Sub-total.

16 Aggregate non-rebatable amount \$, .
 Refer to *How to complete your 2008 fringe benefits tax return* (NAT 2376) for more information.

17 Amount of rebate: 48% of (item 15 amount less item 16 amount) \$, .

18 Sub-total (item 15 amount less item 17 amount) \$, .

19 Less instalment amounts reported on activity statements \$, ~~×~~
 Refer to *How to complete your 2008 fringe benefits tax return* (NAT 2376) for more information.

20 Payment due Send this amount with your payment advice \$, .
 or

21 Credit due to you \$, .

Page 3

IN-CONFIDENCE – when completed

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Cars using the statutory formula	A 2	29,000	0		29,000
Cars using the operating cost method	B				
Loans granted	C				
Debt waiver	D				
Expense payments	E	60,000	0	0	60,000
Housing – units of accommodation provided	F				
Employees receiving living-away-from-home allowance (show total paid including exempt components)	G				
Airline transport (airlines and travel agents only)	H				
Board	J				
Property	K				
Income tax exempt body – entertainment	L				
Other benefits (residual)	M				
Car parking	N				
Meal entertainment	P				

PUBLIC BENEVOLENT INSTITUTIONS AND HEALTH PROMOTION CHARITIES

A public benevolent institution (PBI) is a non-profit institution that:

- is established and carried on for the relief of poverty, sickness, suffering, distress, misfortune, destitution or helplessness
- makes its services available without discrimination to every member of the public the organisation aims to benefit
- is administered for the public good without purpose of private gain, and
- provides direct relief for the benefit of a disadvantaged section of the public, for example, provides shelter for homeless people.

A health promotion charity (HPC) is a non-profit charitable institution whose principal activity is to promote the prevention or control of diseases in human beings.

➤ From 1 July 2005, we must endorse your PBI or HPC if you want to access the concession that applies to PBIs and HPCs. For more information about eligibility for this concession including endorsement, phone **1300 130 248**.

1 to 12

Complete these items the same way as a taxable employer.

13

Calculated fringe benefits taxable amounts

Type 1 aggregate amount and Type 2 aggregate amounts

You must complete only item 13C and not items 13A and 13B if you are a:

- PBI
- health promotion charity
- public hospital
- non-profit hospital, or
- public ambulance service.

Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only)

PBI and HPCs have a capping threshold placed on the amount of FBT-free benefits they may provide to employees. The concessional FBT treatment to these organisations is capped at \$30,000 of the grossed-up taxable value of fringe benefits provided to each employee.

Where there are employees who have been provided with fringe benefits above the \$30,000 grossed-up taxable value threshold, the employer will be subject to FBT on its aggregate non-exempt amount. Calculate this amount using the following steps.

Step	Action
1	For each employee, establish the amount that would be their individual fringe benefits amount if the exemption was not available. From that amount, identify those fringe benefits that are GST-creditable benefits (that is, where the provider or a member of the same GST group was entitled to a GST credit).
2	Work out the employee's share of the taxable value of benefits that would qualify as excluded fringe benefits if the exemption was not available. The following excluded fringe benefits are not included in the notional taxable value of benefits provided to the employee: <ul style="list-style-type: none"> ■ those benefits considered the provision of meal entertainment ■ car parking fringe benefits, and ■ entertainment facility leasing expenses.
3	Identify those excluded fringe benefits that are GST-creditable benefits (that is, where the provider or a member of the same GST group was entitled to a GST credit on their acquisition). Add this amount to step 1. This is the type 1 individual base non-exempt amount.
4	Gross up the type 1 individual base non-exempt amount by multiplying it by 2.0647.
5	Identify those fringe benefits and excluded fringe benefits that are not GST-creditable benefits (that is, where the provider or a member of the same GST group was not entitled to a GST credit on their acquisition). This is the type 2 individual base non-exempt amount.
6	Gross up the type 2 individual base non-exempt amount by multiplying it by 1.8692.
7	Add the grossed-up type 1 individual base non-exempt amount and the grossed-up type 2 individual base non-exempt amount. The result is the individual grossed-up non-exempt amount.
8	Subtract \$30,000 from the individual grossed-up non-exempt amount for each employee. If the individual grossed-up non-exempt amount is less than or equal to \$30,000, the amount calculated under this step is nil.
9	Add together all the amounts calculated above for each employee. The result is your aggregate non-exempt amount for the FBT year.

EXAMPLE: Calculate the aggregate non-exempt amount (PBI or HPC)

A PBI has two employees with an individual grossed-up non-exempt amount greater than \$30,000. One employee has an amount of \$43,000 and the other has an amount of \$45,000 both in respect of car fringe benefits.

The calculation of the aggregate non-exempt amount is as follows:

$$(\$43,000 - \$30,000) + (\$45,000 - \$30,000) = \$28,000$$

You would show the amounts with whole dollars and no cents at item 13:

13 Calculated fringe benefits taxable amounts (whole dollars only)

A Type 1 aggregate amount \$, , ·X x 2.0647 = \$, , ·X A

B Type 2 aggregate amount \$, , ·X x 1.8692 = \$, , ·X B

C Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only) or \$, 28, 000 ·X C

14 to 15

Complete these items in the same way as a taxable employer.

16 Aggregate non-rebatable amount

This item applies only if you are a rebatable employer. PBIs and HPCs already have access to other concessions and are not rebatable employers.

If you are not a rebatable employer, leave this item blank and go to item 18.

17 Amount of rebate

Leave this item blank. PBIs and HPCs already have access to other concessions and are not rebatable employers.

18 Sub-total

Show at item 18 the amount at item 15 less the amount (if any) at item 17.

If you are not a rebatable employer, this amount is the same as item 15.

19 to 24

Complete these items in the same way as a taxable employer.

At Item 22, you must include the taxable value of benefits provided (not the aggregate non-exempt amount) if you are a:

- PBI
- health promotion charity
- public hospital
- non-profit hospital, or
- public ambulance service.

The information you include in the 'Taxable value of benefits' column is based on the total of the individual base non-exempt amounts for all employees calculated at steps 3 and 5 of item 13C (see page 17).

The figures you place in the 'Taxable value of benefits' column must be the amounts before the capping amounts (\$30,000 or \$17,000) are deducted.

PUBLIC HOSPITALS, NON-PROFIT HOSPITALS AND PUBLIC AMBULANCE SERVICES

You can complete your FBT return in the same manner as a public benevolent institution (PBI) or health promotion charity (HPC) if you are a:

- public hospital
- non-profit hospital, or
- public ambulance service.

The only difference is the level of the capping threshold.

13 Calculated fringe benefits taxable amounts

Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only)

Public hospitals have a capping threshold placed on the amount of FBT-free fringe benefits that may be provided to employees. The concessional FBT treatment to these hospitals is capped at \$17,000 of the grossed-up taxable value of fringe benefits provided to each employee. Public ambulance services also qualify for this concession.

Where employees have been provided with benefits above the \$17,000 threshold, the employer will be subject to fringe benefits tax on its aggregate non-exempt amount. This amount is calculated using the same steps as a PBI or a HPC other than at step 8 of the calculation which should be as follows.

Step	Action
8	Subtract \$17,000 from the individual grossed-up non-exempt amount for each employee. If the individual grossed-up non-exempt amount is less than or equal to \$17,000, the amount calculated under this step is nil.

EXAMPLE: Calculate the aggregate non-exempt amount – hospital

A hospital has two employees with an individual grossed-up non-exempt amount greater than \$17,000. One employee has an amount of \$50,000 and the other has an amount of \$40,000.

The calculation of the aggregate non-exempt amount is as follows:

$$(\$50,000 - \$17,000) + (\$40,000 - \$17,000) = \$56,000$$

You would show the figure at item 13 as:

13 Calculated fringe benefits taxable amounts (whole dollars only)

- A Type 1 aggregate amount \$, , .~~X~~ x 2.0647 = \$, , .~~X~~ **A**
- B Type 2 aggregate amount \$, , .~~X~~ x 1.8692 = \$, , .~~X~~ **B**
- C Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only) or \$, , .~~X~~ **C**

➤ Amounts should be shown with whole dollars only – no cents.


NON-PROFIT ORGANISATIONS OPERATING A PUBLIC BENEVOLENT INSTITUTION (PBI) EMPLOYER

Where part of a non-profit organisation is a public benevolent institution (PBI) employer and the rest of the organisation is a rebatable employer, you must lodge FBT returns as follows.

If the fringe benefits you provide to the employees of the PBI employer are less than the \$30,000 capping threshold then the organisation will continue to lodge an FBT return only as a rebatable employer.

If the fringe benefits you provide to the employees of the PBI employer exceed the \$30,000 capping threshold, you must pay tax on the aggregate non-exempt amount of the PBI employer.

In this situation, the organisation effectively lodges an FBT return as both a rebatable employer and as a PBI.

 From 1 July 2005, if your organisation operates a PBI employer and you want to access this concession, we must endorse your operation of the PBI employer. For more information about eligibility for this concession including endorsement, phone **1300 130 248**.

You cannot claim a rebate on the aggregate non-exempt amount; there are special instructions for completing these sections of the return.

1 to 12

Complete these items in the same way as a taxable employer.

13

Calculated fringe benefits taxable amounts

For the amounts that you will be treated as a:

- rebatable employer – complete items 13A and 13B (see the rebatable employer instructions for this item on page 13)
- PBI employer – complete item 13C (see the public benevolent institutions and health promotion charities instructions for this item on page 17).

14

Fringe benefits taxable amount

Show at item 14 the sum of the amounts at items 13A, 13B and 13C.

15

Amount of tax payable

Complete this item in the same way as a taxable employer.

16

Aggregate non-rebatable amount

As you cannot claim a rebate on the aggregate non-exempt amount, you must add the tax payable on this amount to the aggregate non-rebatable amount.

Calculate the aggregate non-rebatable amount as shown in the rebatable employer instructions for this item. Add to this amount the tax payable on the aggregate non-exempt amount ($13C \times 46.5\%$).

Show the total at item 16.

17

Amount of rebate

Calculate your rebate as shown in the rebatable employer instructions for this item.

EXAMPLE: Calculate the amount of rebate

A non-profit organisation endorsed for the operation of a PBI employer, has a fringe benefits taxable amount of \$150,000 and gross tax of \$69,750.00 (\$150,000 × 46.5%). The taxable amount is made up of \$105,000 type 1 benefits, \$33,000 type 2 benefits and an aggregate non-exempt amount of \$12,000. The employer was rebatable for the whole FBT year.

The employer has two employees in the rebatable part of the organisation with an individual grossed-up non-rebatable amount greater than \$30,000. One employee has an amount of \$50,000 and the other has an amount of \$45,000.

The calculation of the aggregate non-rebatable amount is as follows:

$$((\$50,000 - \$30,000) + (\$45,000 - \$30,000)) \times 46.5\% = \$16,275.00$$

Add to this amount the tax payable on the aggregate non-exempt amount (\$12,000 × 46.5%) = \$5,580.00

$$\$16,275.00 + \$5,580.00 = \$21,855.00$$

The calculation of the amount of rebate would be:

$$0.48 \times (\$69,750.00 - \$21,855.00) = \$22,989.60$$

18

Sub-total

Show at item 18 the amount at item 15 less the amount (if any) at item 17.

You would show the figures on the return at items 13 to 18 as:

13 Calculated fringe benefits taxable amounts (whole dollars only)	
A Type 1 aggregate amount \$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 50 , <input type="text"/> 855 <input type="text"/> × 2.0647 = \$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 105 , <input type="text"/> 000 <input type="text"/> × A	
B Type 2 aggregate amount \$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 17 , <input type="text"/> 655 <input type="text"/> × 1.8692 = \$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 33 , <input type="text"/> 000 <input type="text"/> × B	
C Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only) or \$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 12 , <input type="text"/> 000 <input type="text"/> × C	
14 Fringe benefits taxable amount (A + B) or C	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 150 , <input type="text"/> 000 <input type="text"/> ×
15 Amount of tax payable (46.5% of item 14 amount)	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 69 , <input type="text"/> 750 <input type="text"/> . 00
<input type="button" value="▶"/> If you are not a rebatable employer, go to question 18 Sub-total.	
16 Aggregate non-rebatable amount	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 27 , <input type="text"/> 855 <input type="text"/> . 00
<input type="button" value="▶"/> Refer to <i>How to complete your 2008 fringe benefits tax return</i> (NAT 2376) for more information.	
17 Amount of rebate: 48% of (item 15 amount less item 16 amount)	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 22 , <input type="text"/> 989 <input type="text"/> . 60
18 Sub-total (item 15 amount less item 17 amount)	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> 46 , <input type="text"/> 760 <input type="text"/> . 40

19 to 24

Complete these items in the same way as a taxable employer.

DETAILS OF FRINGE BENEFITS PROVIDED: CATEGORIES

04

Taxable value of benefits

There are specific valuation rules for each fringe benefit category. Before you can calculate the taxable value of any benefit and complete the details in the column headed 'Taxable value of benefits', you must identify the category of benefit provided and do the appropriate calculations for that category. For more information about the calculations, refer to *Fringe benefits tax: a guide for employers* (NAT 1054).

You must include the taxable value of benefits provided (not the aggregate non-exempt amount) if you are a:

- PBI
- health promotion charity
- public hospital
- non-profit hospital, or
- public ambulance service.

The information you include in the 'Taxable value of benefits' column is based on the total of the individual base non-exempt amounts for all employees calculated at steps 3 and 5 of item 13C (see page 17).

The figures you place in the 'Taxable value of benefits' column must be the amounts before the capping amounts (\$30,000 or \$17,000) are deducted.

A Cars using the statutory formula

When you complete the information required at item A, do not show the actual value of the cars in the gross taxable value column.

Employee contributions include:

- amounts the employee pays directly to you for a car's use, and
- any car operating costs (for example, fuel) the employee paid.

Use GST-inclusive amounts where appropriate.

Statutory fractions

Total annual kilometres	Statutory percentage
Less than 15,000	26%
15,000 to 24,999	20%
25,000 to 40,000	11%
More than 40,000	7%

If a car was not held for the whole FBT year, annualise the kilometres travelled to establish the appropriate statutory fraction. For example, if a car is acquired halfway through the FBT year and travelled 12,000 kilometres in six months, the annualised distance would be 24,000 kilometres. The relevant percentage is 20% (see 'Statutory fractions' above).

If, at the beginning of the FBT year, you have already owned or leased the car for four years, you can reduce its base value by one-third.

EXAMPLE: Calculate car fringe benefits using the statutory formula

An employer has two cars with a base value of \$30,000 each. Both cars have travelled 20,000 kilometres in the FBT year and have been available to the employees for private use for the whole year. The two employees who use the cars made contributions of \$1,000 each for fuel during the year.

The calculation for each car would be:

$$(\$30,000 \times 20\%) - \$1,000 = \$5,000$$

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) - (b) - (c)
Cars using the statutory formula	A 2	12,000	2,000		10,000

B**Cars using the operating cost method**

Use GST-inclusive amounts where appropriate and do not show the actual value of the cars in the gross taxable value column.

Employee contributions include:

- amounts the employee pays directly to you for a car's use, and
- any car operating costs (for example, fuel) the employee has paid.

The total operating costs you use for calculating the fringe benefits taxable value are different from those you use for income tax purposes. Also, the income tax depreciation cost limit does not apply for FBT purposes.

EXAMPLE: Calculate car fringe benefits using the operating cost method

An employer has a car with \$10,000 in total operating costs for the FBT year. The employee who uses the car maintains a logbook that shows the percentage of private use as 30%. The employee has not made any contributions during the year.

The calculation for the car would be:

$$(\$10,000 \times 30\%) - \$0 = \$3,000$$

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) - (b) - (c)
Cars using the operating cost method	B 1	3,000	0		3,000

C**Loans granted**

Item C is the number of loans you made that gave rise to taxable fringe benefits and the taxable value of those benefits. Therefore, do **not** show the amount of the actual loans in the gross taxable value column.

EXAMPLE: Calculate loan fringe benefits granted

An employer lends an employee \$20,000. They do not charge interest and the employee makes no repayments during the FBT year.

Using the benchmark interest rate the calculation would be:

$$\$20,000 \times 8.05\% = \$1,610$$

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) - (b) - (c)
Loans granted	C 1	1,610	0		1,610

D**Debt waiver**

If an employee is in debt to you and you release the employee from the obligation to repay the debt, the unpaid amount may be a debt-waiver fringe benefit. Show the amount of this kind of benefit at item D.

EXAMPLE: Complete debt waiver fringe benefits

An employer waives a \$500 debt that an employee owed from a previous year.

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Debt waiver	D	500			500

E**Expense payments**

If you pay for or reimburse an expense an employee incurred, an expense-payment fringe benefit may arise. Show any amount that constitutes an expense-payment benefit that you provided during the year at item E.

EXAMPLE: Calculate expense payment fringe benefits

An employer pays an employee's home telephone bills of \$1,200 for the FBT year. The employee provides the employer with a declaration stating that 50% of the bills are for business purposes and are therefore otherwise deductible. The other 50% of calls are private calls.

The calculation for the expense payment would be:

$$\$1,200 \times 50\% = \$600$$

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Expense payments	E	1,200	0	600	600

F**Housing: units of accommodation provided**

Housing benefits relate only to accommodation you provide that is the employee's usual place of residence. Under the separate headings at item F you must show:

- the number of accommodation units you provide
- the taxable value of the benefits, and
- any employee contributions towards those benefits.

Housing benefits provided in a remote area are exempt benefits. Other accommodation that does not meet the requirements of a housing fringe benefit is included as a residual fringe benefit and you must show them at item M.

EXAMPLE: Calculate housing fringe benefits

An employer provides a house for an employee for the FBT year. The market value rental for the year is \$13,000 (52 weeks @ \$250). The employee pays a nominal rent of \$2,600 for the year (\$50 per week).

The calculation for the housing benefit would be:

$$\$13,000 - \$2,600 = \$10,400$$

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Housing – units of accommodation provided	F 1	13,000	2,600		10,400

G**Employees receiving living-away-from-home allowance (show total paid including exempt components)**

When completing item G, show the amount of benefits you provide to employees as a living-away-from-home allowance.

The amount you include at this item at 'Gross taxable value (a)' includes the exempt accommodation and increased food components as well as the statutory food amount:

- statutory food amount is the amount of expenditure on food the employee would incur at their usual place of residence, set at \$42 per week per person, and
- increased food component is the amount above this level.

Show the exempt accommodation and increased food component amounts as reductions at 'Value of reductions (c)'. You must obtain the necessary employee declarations so you can take advantage of any exempt accommodation and increased food components.

EXAMPLE: Calculate living-away-from-home allowance fringe benefits

An employer pays an employee \$292 per week (\$15,184 for the FBT year) as a living-away-from-home allowance.

This is made up of:

- \$150 per week (\$7,800 for the FBT year) for accommodation, and
- \$142 per week (\$7,384 for the FBT year) for food.

The calculation for living-away-from-home allowance fringe benefits would be:

Increased food component = \$5,200 (\$7,384 – \$2,184 (52 weeks @ \$42 per week))

\$15,184 – \$7,800 (exempt accommodation) – \$5,200 (increased food) = \$2,184

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Employees receiving living-away-from-home allowance (show total paid including exempt components)	G 1	15,184		13,000	2,184

The above example gives one method of calculating the increased food component of a living-away-from-home allowance. For further information about calculating the increased food component, see *Fringe benefits tax (FBT) – a guide for employers* (NAT 1054).

H**Airline transport (airlines and travel agents only)**

Item H applies to some benefits provided to airline and travel agent employees, or those employees' associates. This benefit refers to you providing free or discounted travel subject to the 'stand-by' restrictions that customarily apply to employees in the airline industry. If you don't provide the benefit subject to the stand-by restrictions, you value it as either an expense-payment fringe benefit or a residual fringe benefit, depending on the circumstances.

EXAMPLE: Complete airline transport fringe benefits

A travel agent provides free air travel to employees for their holidays during the FBT year. The airfares' value was \$2,500. This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Airline transport (airlines and travel agents only)	H	2,500	0	0	2,500

J**Board**

Meals provided to an employee and to family members living with the employee may be a board fringe benefit if:

- you provide an employee with accommodation, and
- the employee has an entitlement to at least two meals a day.

EXAMPLE: Complete board fringe benefits

An employer provides board fringe benefits valued at \$21,900 to employees during the FBT year. This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Board J		21,900	0	0	21,900

K**Property**

A property fringe benefit may arise when you provide an employee with property (for example, goods), either free or at a discount.

EXAMPLE: Calculate property fringe benefits

An electrical retailer provides a television that normally sells at \$2,000 to an employee for \$300 during the FBT year. The value of the benefit is reduced to 75% of the selling price as an in-house property fringe benefit.

The calculation of the property fringe benefit would be:

$$(\$2,000 \times 75\%) - \$300 = \$1,200$$

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Property K		2,000	300	500	1,200

L**Income tax exempt body: entertainment**

This category of fringe benefit relates to non-deductible entertainment expenses. It applies if you:

- are wholly or partially exempt from income tax, or
- did not derive assessable income from the activities the entertainment relates to.

If you are an income tax exempt employer, you may choose to value meal entertainment using the valuation rules applicable to meal entertainment fringe benefits. If so, you must include the benefits on the return at item P.

If you are not exempt from income tax and you provided entertainment, this may give rise to a fringe benefit. Do not value a benefit of this type in this category. Instead, establish the taxable value as an expense payment, property or residual fringe benefit, depending on how you provided the benefit. Alternatively, you can value meal entertainment as a meal entertainment fringe benefit.

EXAMPLE: Complete income tax exempt body: entertainment fringe benefits

A local council provides a Christmas function for employees during the FBT year. The value of the tax-exempt body entertainment fringe benefit is \$5,000. This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Income tax exempt body – entertainment	L	5,000			5,000

M**Other benefits (residual)**

Show at item M the value of any residual fringe benefits you provide. A residual fringe benefit may arise when you provide an employee with:

- any right, privilege, service or facility, or
- any other benefit that is not one of the specific categories of fringe benefits included at items A to L, N or P.

EXAMPLE: Calculate other benefits (residual fringe benefits)

An employer has a one-tonne utility with \$8,000 in total operating costs for the FBT year. The employee uses the utility for both business and private purposes. The employee provides the employer with a declaration stating that they used the utility 25% of the time for private purposes. The employee has not made any contributions during the year.

The calculation for the utility as a residual fringe benefit would be:

$$(\$8,000 \times 25\%) - \$0 = \$2,000$$

This item would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Property	K	8,000	0	6,000	2,000

N**Car parking**

A car parking fringe benefit will not arise from providing car parking facilities for employees unless:

- there was a commercial car parking station within one kilometre of the employer-provided facility, and
- that car parking station charged more than \$6.78 for all-day parking at the start of this FBT year.

EXAMPLE: Complete car parking fringe benefits

An employer has 10 parking spaces under their city building for employees to use for the FBT year. The car parking fringe benefits are valued at \$20,000.

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Car parking	N	20,000	0		20,000

P**Meal entertainment**

You can choose to value meal entertainment as a meal entertainment fringe benefit.

Under the meal entertainment rules, the taxable value of meal entertainment fringe benefits you show at item P will be either:

- half your meal entertainment expenditure incurred for the FBT year, or
- an amount worked out according to a 12-week register you kept.

If you do not value meal entertainment as a meal entertainment fringe benefit, depending on how the benefit was provided and by whom, value the fringe benefit as:

- an expense payment, or
- a property, residual or tax-exempt body entertainment fringe benefit.

If you value entertainment facility leasing expenses under the 50:50 method, you must show the expenses at item M as a residual fringe benefit.

EXAMPLE: Calculate meal entertainment

An employer spends \$4,000 on meal entertainment for the FBT year. They choose to value the meal entertainment fringe benefits using the 50:50 split method.

The calculation for the meal entertainment fringe benefits would be:

$$\$4,000 \times 50\% = \$2,000$$

This would be shown at item 22 as:

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Meal entertainment	P	2,000			2,000

RECORD KEEPING EXEMPTION ARRANGEMENTS

The record-keeping exemption arrangements allow certain employers to choose not to keep records for an FBT year. Instead, we work out your FBT liability for that FBT year using the total taxable value of fringe benefits you provided in an earlier base year when you kept FBT records.

You can choose to use the exemption arrangements if:

- you are not a government body or an income tax exempt organisation
- you kept FBT records in the base year
- the total taxable value of fringe benefits you provided in the current year is not 20% more than it was in the base year, and
- the total taxable value of fringe benefits you provided in the base year does not exceed the exemption threshold in a full year.

Exemption thresholds

Year	Amount
2004	\$5,919
2005	\$6,084
2006	\$6,223
2007	\$6,391
2008	\$6,614

If you use the record-keeping exemption arrangements, you must include the:

- taxable value of each category of fringe benefit you provided during the base year, at item 22, and
- fringe benefits taxable amount you provided in the base year, at item 14.

FBT CALCULATION RATES FOR FBT YEAR 1 APRIL 2007 TO 31 MARCH 2008

Tax rate

46.5%

Benchmark interest rate

8.05%

Also known as the statutory interest rate. It is used when calculating loan fringe benefits and the interest component for the car operating cost method.)

Housing indexation figures (non-remote)

NSW	1.023	VIC	1.019
QLD	1.057	SA	1.034
WA	1.053	TAS	1.049
ACT	1.031	NT	1.054

Private use of motor vehicle other than a car

Where a vehicle is used extensively for business, use the following rates to calculate the taxable value of a residual fringe benefit arising from the private use of a motor vehicle other than a car. The fringe benefit's taxable value is calculated on a cents-per-kilometre basis.

Engine capacity	Rates per kilometre
0 to 2 500cc	41 cents
Over 2 500cc	49 cents
Motor cycles	12 cents

Car parking threshold

\$6.78

LODGING YOUR RETURN

CHECKLIST

Before lodging your return with us, check that you have:

- completed items 13 to 22
- read and signed the appropriate declaration on the return,
- kept a copy of the return for your file, and
- lodged all your activity statements for the FBT year.

Returns, amendment requests and correspondence

Send to:

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

MAKING PAYMENTS

Send to:

WA, SA, NT, TAS and VIC

Australian Taxation Office
Locked Bag 1936
ALBURY NSW 1936

ACT, NSW and QLD

Australian Taxation Office
Locked Bag 1793
PENRITH NSW 1793

MORE INFORMATION

If you need more information about FBT:

- phone **13 28 66** between 8.00am and 6.00pm, Monday to Friday
- speak to your tax adviser, or
- write to:

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

PUBLICATIONS

A range of FBT publications are available online. Paper copies can be ordered by phoning **1300 720 092**:

- *Fringe benefits tax: a guide for employers* (NAT 1054)
- *FBT rates and thresholds* (web product only)
- *Fringe benefits tax (FBT) return 2008* (NAT 1067)
- *How to complete your 2008 FBT return* (NAT 2376), and
- *Notice of non-lodgment form* (NAT 3094).

