



Completing your 2014 Fringe Benefits Tax (FBT) return

Step-by-step instructions with examples to help you complete the fringe benefits tax (FBT) return 2014. NAT 2376-03.2014

Last updated 16 May 2014

Download [Completing your 2014 fringe benefits tax return](#) (PDF, 1.20 MB).

Introduction

Fringe benefits tax (FBT) returns must be lodged with us by **21 May** 2014. If a tax practitioner is preparing your annual FBT return, different lodgment arrangements may apply.

These instructions will help you complete the Fringe benefits tax (FBT) return 2014 for your business. They include information on:

- recent and proposed law changes
- how to correct a mistake on your FBT return
- how to complete the return if you are a [taxable employer](#)
- how to complete the return if you are a [non-profit organisation](#)
- how to complete the '[Fringe benefit categories](#)' section on your return
- [record keeping](#)
- [calculation rates](#).

[Find out more](#)

How to lodge your FBT return and pay FBT –
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Recent and proposed law changes

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In-house fringe benefits

Under the FBT law, there are different types of benefit that may be provided by employers to employees (or their associates) where the employer is in the business of providing the same or similar goods and services to their customers. These benefits are known as in-house benefits. The law allows for such in-house benefits to be concessionally taxed.

Changes have been made to these concessions. Under these changes, the concessions no longer apply to in-house benefits provided under a salary packaging arrangement on or after 22 October 2012. However, transitional rules may apply to arrangements entered into before that date for benefits provided up to 31 March 2014.

Find out more

[Reform of salary sacrificed 'in-house' fringe benefits](#)

Airline transport benefits

Changes have been made to the FBT law relating to airline transport fringe benefits. Under these changes, there is no longer a separate category of fringe benefit for airline transport fringe benefits. Airline transport fringe benefits are now taxed under the in-house benefit provisions – as expense payment, property or residual fringe benefits – and the way the taxable value is calculated has been changed.

The changes affect airline transport fringe benefits provided on or after 7.30pm AEST on 8 May 2012.

As a result of these changes, Item **23** of the return does not include a line relating to airline transport fringe benefits. These fringe benefits are now included under the expense payments, property or residual categories.

Find out more

Airline transport fringe benefits

Not-for-profit reforms

Charities

From 3 December 2012, the Australian Charities and Not-for-profits Commission (ACNC) is the new national regulator of charities.

The ACNC is responsible for registering organisations as charities for all Commonwealth purposes and maintains a public register of charities. The ACNC determines whether an organisation is a particular sub-type of charity, including a public benevolent institution or health promotion charity.

Registration with the ACNC is voluntary – however, charities must be registered with the ACNC if they want our endorsement to access charity tax concessions. These include the:

- FBT rebate for registered charities
- FBT exemption for registered public benevolent institutions or registered health promotion charities.

Charities were automatically registered with the ACNC from 3 December 2012 if they were endorsed by us before that date as:

- income-tax exempt
- FBT exempt as a public benevolent institution or a health promotion charity
- a deductible gift recipient because they are a public benevolent institution or health promotion charity.

Charities that were not endorsed by us as income-tax exempt charities on or after 3 December 2012 must register with the ACNC before we can endorse them to access charity tax concessions – this includes the FBT rebate for registered charities and the FBT exemption for registered public benevolent institutions or registered health promotion charities.

FBT rebate

Changes to the FBT law as a result of the introduction of the ACNC has meant that charitable institutions that are institutions of the Commonwealth, a state or a territory and some charitable funds may be eligible for the FBT rebate for the period 3 December 2012 to 31 March 2013. Transitional provisions mean that such institutions may also be eligible for the FBT rebate for the period 1 April 2013 to 31 March 2014.

Entitlement to the rebate

| If... | Then... |
|---|--|
| Your charity is not registered with the ACNC | It is not entitled to the FBT rebate |
| Your charity is a registered public benevolent institution or health promotion charity | It is not entitled to the FBT rebate |
| Your registered charity is not endorsed to access the FBT rebate tax concession and is an institution. | It is not entitled to the FBT rebate. |
| Your registered charity is not endorsed to access the FBT rebate tax concession and is not an institution. | It is entitled to the FBT rebate from 3 December 2012 to 31 March 2013. |
| Your registered charity is endorsed to access the FBT rebate tax concession, starting from a date of endorsement that is before 30 June 2013. | It is entitled to the FBT rebate for the periods: <ul style="list-style-type: none"> from 3 December 2012 (or date of endorsement, whichever is the later) to 31 March 2013 |

| | |
|--|---|
| | <ul style="list-style-type: none"> • from 1 April 2013 (or date of endorsement, whichever is the later) to 31 March 2014 • from 1 April 2014 unless the Commissioner of Taxation revokes the notice of endorsement. |
| Your registered charity is endorsed to access the FBT rebate tax concession starting from a date of endorsement that is on or after 30 June 2013 | It is entitled to the FBT rebate from the commencement date of the endorsement, provided all of the conditions are met. |

Conditions

For endorsement from 30 June 2013 onwards, your charity must meet **all** of the following conditions to be entitled to the FBT rebate – it must be:

- a registered charity
- endorsed for the income tax exemption
- an institution
- not a registered public benevolent institution
- not a registered health promotion charity
- not an institution of the Commonwealth, a state or territory
- endorsed for the FBT rebate.

Example

A university is a charitable institution that has been endorsed as income tax exempt since 2008. On 3 December 2012, the university is deemed to be registered with the ACNC.

The university is an institution of the Commonwealth, a state or territory. On 5 January 2013, the university applied for

endorsement for the FBT rebate, requesting that it be effective from 3 December 2012, and it was granted endorsement effective from that date.

The university:

- is a charity that is registered with the ACNC
- is not a public benevolent institution or health promotion charity
- is a registered charity that was endorsed to access the FBT rebate before 30 June 2013.

As a result, the university is eligible for the FBT rebate for the period:

- 3 December 2012 – 31 March 2013
- 1 April 2013 – 31 March 2014.

The university is not eligible for the FBT rebate from 1 April 2014 because it is an institution of the Commonwealth, a state or territory. The Commissioner revokes the entity's endorsement from that date.

Religious institutions

From 3 December 2012, religious institutions, including those that previously self-assessed their income tax exemption, must be registered with the ACNC as a charity (with a purpose that is the advancement of religion) to access relevant FBT concessions.

FBT rebate

Religious institutions are eligible for the FBT rebate – subject to a capping threshold of \$30,000. The institution **must be registered** with the ACNC as a charity **and endorsed** by us to access the FBT rebate.

FBT exemption

Religious institutions may also be eligible for an FBT exemption for benefits they provide to:

- religious practitioners
- live-in carers

- domestic employees.

The religious institution **does not** need to be endorsed by us to access this FBT exemption, but it **must be registered** with the ACNC.

Non-profit companies

Non-profit companies that are charities must be registered with the ACNC as a charity from 3 December 2012 to access the exemption for FBT exempt benefits provided to live-in carers.

Find out more

Not-for-profit reforms

Future change to rate of tax

From 1 April 2014, the FBT rate of tax will be 47%. The type 1 gross-up rate will change to 2.0802 and the type 2 gross-up rate will be 1.8868.

 **Attention** The rates apply to benefits provided from 1 April 2014, they are not applicable to the FBT year ended 31 March 2014.

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Correcting a mistake

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You can correct a mistake by striking it out in black pen. Write the new information as close as possible to the boxes for the label. You can

also use tape white-out to correct errors. However, do not use liquid white-out – this causes problems with scanning, which will delay the processing of your return.

For information on general record keeping, see [Record keeping](#).

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Taxable employers

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Business details – items 1 to 13

1 Tax file number (TFN)

Print your TFN in the box provided.

Make sure your TFN matches your FBT registration, particularly if you operate through a trust.

Find out more

- If you do not have a TFN, complete a Tax file number application for companies and other organisations.
- If you are a sole trader, you must complete a Tax file number – application or enquiry for individuals.

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 (ABR). It helps identify you for tax purposes.

If you are registered in the ABR, print your ABN in the box provided.

Make sure the ABN you provide is associated with the TFN you quoted at item 1.

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 or postal address has 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 with your return, such as a change of name certificate from the Australian Securities & Investments Commission (ASIC) or Registry of Births, Deaths and Marriages.

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 during the period 1 April 2013 to 31 March 2014

Show the total number of employees and their associates who received fringe benefits during the period 1 April 2013 to 31 March 2014. 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 your costs in meeting 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
- completing this return and 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 FBT return forms for future years?

Tell us if you plan to continue lodging FBT returns. If you have provided taxable fringe benefits after 31 March 2014, they fall into the 2015 FBT year and you may need to lodge a 2015 FBT return.

If you don't complete this item, it may result in processing problems.

We will cancel your FBT registration and any future instalments if you answer 'no' to this question.

13 Electronic funds transfer (EFT)

Direct refund

We need your financial institution details to pay any refund owing to you, even if you have provided them to us before. Complete the following:

- Bank state branch (BSB) number. This six-digit number identifies the financial institution (do not include spaces or hyphens).
- Account number. This should not have more than nine characters (do not include spaces).
- Account name. In most cases, your account name should be shown on your bank account records. It should include spaces between each word and between initials. If your account name exceeds 32 characters, provide the first 32 characters only.

Return calculation details – items 14 to 23

14 Calculated fringe benefits taxable amounts

Before you can calculate the taxable value of any benefit, you must identify the category the benefit falls into.

Find out more

We describe each category in Fringe benefits tax – a guide for employers.

GST affects how you work out 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
- calculate the type 1 aggregate amount using the [formula below](#).

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.

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 either of the following reasons:

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

To work out this amount:

- start with an employee's individual fringe benefits amount
- calculate the type 2 aggregate amount using the [formula below](#).

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 – as a result, you can't claim a GST credit. This is a type 2 fringe benefit that you calculate at the lower rate.

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

You must complete only item **14C** (and not items **14A** and **14B**) if you are:

- an eligible public benevolent institution
- an eligible health promotion charity
- a public hospital
- a non-profit hospital
- a public ambulance service.

See [Non-profit organisations](#).

 **Attention** Other employers, including rebatable employers, must leave item 14C blank.

14A 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
- add any excluded fringe benefits that are GST-creditable to the total amount.

The formula you use to calculate this amount is:

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

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%.

Grossing up means increasing the taxable value of benefits you provide to reflect the gross salary employees would have to earn at the highest marginal tax rate (including Medicare levy) to buy the benefits after paying tax.

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) \$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

14B Type 2 aggregate amount

To calculate your type 2 aggregate amount:

- 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
- add any excluded fringe benefits that are not GST-creditable benefits to the total amount.

The formula you use 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-free 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 | |

14C Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only)

This applies to you only if you are:

- an eligible public benevolent institution
- an eligible health promotion charity
- a public hospital
- a non-profit hospital
- a public ambulance service.

See [Non-profit organisations](#).

Other employers, including rebatable employers, must leave item **14C** blank.

You would show the figures from the two examples above at item **14** as:

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15 Fringe benefits taxable amount

Add the amounts at items **14A** and **14B** and place the total at item **15**, even if the amount is nil.

You must complete this item because it (and item **16**) forms the basis of self assessing any FBT liability.

16 Amount of tax payable

This is 46.5% of the amount you wrote at item **15** (the FBT rate multiplied by the fringe benefits taxable amount).

Show the amount of tax payable at item **16**, even if the amount is nil.

You must complete this item because it (and item **15**) forms the basis of self assessing any FBT liability.

17 Aggregate non-rebatable amount

This item applies to you only if you are a rebatable employer – a certain kind of non-government, non-profit organisation eligible for a rebate of 48% of the amount of FBT payable. Rebatable employers that are charities must be registered with the ACNC from 3 December 2012 and endorsed by us to access the rebate.

If you are not a rebatable employer, leave this item blank and go to item **19**.

18 Amount of rebate

This item applies to you only if you are a rebatable employer. Rebatable employers that are charities must be registered with the ACNC from 3 December 2012 and endorsed by us to access the rebate.

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

The amount you write at this item is 48% of the difference between items **16** and **17**.

19 Sub-total

Subtract the amount at item **18** (if any) from item **16** and show the total amount at item **19**.

If you are not a rebatable employer, this amount is the same as the amount you wrote at item **16**.

Make sure you provide the sub-total at item **19** and not at items **17** or **18**.

20 Less instalment amounts reported on activity statements

Add together the FBT instalment amounts you reported on your four activity statements for the 2014 FBT year, and show the total amount at item **20**. We will credit this amount against your 2014 FBT liability. Do not include any amount you paid for:

- penalties
- 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 2014, including the March 2014 quarter, before lodging your FBT return – we can then update your FBT account. If all activity statements are not lodged before lodging your FBT return, your return will not be actioned until all instalments are paid.

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 2014 FBT year:

| | |
|---|----------|
| Quarter ending 30 June 2013 | \$4,000 |
| Quarter ending 30 September 2013 | \$4,000 |
| Quarter ending 31 December 2013 | \$4,000 |
| Quarter ending 31 March 2014 | \$4,000 |
| Total instalments for the 2014 FBT year | \$16,000 |

The employer would show '\$16,000' at item **20**.

21 Payment due

If the amount at item **20** is:

- **more** than the amount at item **19**, go to item **22**
- **less** than the amount at item **19**, show at item **21** the exact difference between the amounts.

The amount at item **21** is the difference between the following:

- the amount you have paid throughout 2014
- the amount you must pay by 21 May 2014 (unless you have made other arrangements with us).

You may round down this amount to the nearest multiple of five cents.

Find out more

How to pay

22 Credit due to you

If the amount at item **20** is more than the amount at item **19**, show at item **22** 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 **22**.

23 Details of fringe benefits provided

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

- work out the taxable value of any benefit
- complete the details in the 'Taxable value of benefits' column.

Do not include the gross-up calculation in the amounts you show at this item.

Find out more

Fringe benefits tax – a guide for employers

Number

Show the number of cars, loans or houses (or other units of accommodation) you use 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 |
| 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 for that particular benefit category before any reductions (for example, employee contributions).

If there are no employee contributions or reductions, include this figure also in the 'Taxable value of benefits (a) – (b) – (c)' column.

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 your accounts.

Find out more

Miscellaneous Taxation Ruling MT 2050

You cannot use any excess employee contribution for one benefit to offset the taxable value of other benefits you provided to that

employee or other employees.

Excess contribution can either be refunded to the employee or deferred to the following FBT year against the same fringe benefit.

Employee contributions you receive:

- are generally assessable for income tax purposes
- must be included in your income tax return.

If you lodge a company, trust or partnership return, you must 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 does 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
- benefit provider is not registered or required to be registered for GST
- 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
- by other means – for example, in relation to in-house fringe benefits.

The 'otherwise deductible' rule only applies if **both** of the following apply:

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

- receipts
- 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.

When completing this column, make sure you also complete the 'Gross taxable value (a)' column – see [Fringe benefit categories](#).

Declarations – items 24 and 25



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Declarations – items 24 and 25

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24 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 **25**. However, tax agents must obtain a declaration from clients stating that:

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

25 Employer's declaration

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

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

It is especially important that you complete items **15** and **16**. These items form the basis of self-assessing any FBT liability.

The ATO is authorised by the *Taxation Administration Act 1953* to request the provision of tax file numbers (TFNs). We will use the TFN to identify the entity in our records. It is not an offence not to provide the TFN. However if you do not provide the TFN, the processing of this form may be delayed.

Taxation law authorises the ATO to collect information and to disclose it to other government agencies. For information about your privacy go to **Privacy**.

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

Example: A completed form

This is an example of the return calculations of a completed 2014 FBT return. The figures are from the examples at items **14A**, **14B** and **20** of this section of the instructions.

You must show the exact amount of cents on the return – however, you may round down your payments to the nearest multiple of five cents.

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Non-profit organisations

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

- a [rebatable employer](#)
- an eligible [public benevolent institution or health promotion charity](#)
- a [public hospital, non-profit hospital or public ambulance service](#)
- a [non-profit organisation operating an eligible public benevolent institution employer](#).

Refer to the specific instructions in this section for completing the FBT return for your category.

Rebatable employers



Public benevolent institutions and health promotion charities



Public hospitals, non-profit hospitals and public ambulance services



Non-profit organisations operating an eligible public benevolent institution employer



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Rebatable employers

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

Those that qualify for an FBT rebate include:

- registered charities who are an institution; who are not established under a government law and who are endorsed as a charitable institution for these purposes
- certain religious, educational, 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
- non-profit organisations established to promote the development of Australia's agricultural, pastoral, horticultural, viticultural, aquacultural, fishing, manufacturing or industrial resources.

 **Attention 3 December 2012, charities must be registered with the ACNC and endorsed by us to access this concession – this would affect religious and charitable institutions.**

Charities that were endorsed by us as income tax exempt charities immediately before 3 December 2012 are automatically registered with the ACNC – they don't need to re-register.

Charities that were **not** endorsed by us as income tax exempt charities before 3 December 2012 must register as a charity with the ACNC and then be endorsed by us to access charity tax concessions, including the FBT rebate for registered charities.

Find out more

- ACNC registration – phone the ACNC on **13 ACNC (13 22 62)** or visit the [ACNC website](#) 

- Eligibility for this concession, including endorsement, phone us on **1300 130 248**

1 to 13

Complete these items in the same way as a taxable employer would – see [Taxable employers](#).

14 Calculated fringe benefits taxable amounts

Complete items **14A** and **14B** in the same way as a taxable employer would – see [Taxable employers](#).

Item **14C** does not apply to rebatable employers.

A rebatable employer must leave item **14C** blank.

Example: Calculated fringe benefits taxable amounts for a rebatable employer

A rebatable employer provides fringe benefits to 10 of their employees. The employer:

- pays all 10 employees' children's school fees as an expense payment
- provides two of the employees with cars for private use.

The car fringe benefits are type 1 benefits because 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 because they are GST-free supplies with no GST credit entitlement.

| | |
|--|--------------|
| 10 x expense payment fringe benefits: school fees (GST-free supplies with no GST credit entitlement) | 10 x \$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 **14** as:

 39720_03

15 to 16

Complete these items in the same way as a taxable employer would – see [Taxable employers](#).

17 Aggregate non-rebatable amount

This item only applies if you are a rebatable employer.

If you are a rebatable employer, the total grossed-up value of benefits you can provide to each employee, without losing the existing concessions, is \$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' and you must show it at item **17**. Calculate this amount using the following steps.

| Step | Action |
|-------------|---|
| 1 | <p>For each employee, work out the employee's individual fringe benefits amount. From that amount, identify those fringe benefits that are GST-creditable benefits. GST-creditable benefits are benefits you, or a member of your GST group, was entitled to a GST credit on.</p> |
| 2 | <p>Work out the employee's share of the taxable value of excluded fringe benefits. For an outline of those excluded fringe benefits, refer to Reportable fringe benefits.</p> <p>The following excluded fringe benefits are not included in the notional taxable value of benefits you provided to the employee:</p> <ul style="list-style-type: none"> • those benefits considered to be providing meal entertainment • car parking fringe benefits • entertainment facility leasing expenses. |
| 3 | <p>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.</p> <p>This is the type 1 individual base non-rebatable amount.</p> |
| 4 | <p>Gross up the type 1 individual base non-rebatable amount by multiplying it by 2.0647.</p> |
| 5 | <p>Identify those fringe benefits and excluded fringe benefits that are not GST-creditable benefits – that is, where you or a member of your GST group was not entitled to a GST credit on your acquisition.</p> <p>This is the type 2 individual base non-rebatable amount.</p> |
| 6 | <p>Gross up the type 2 individual base non-rebatable amount by multiplying it by 1.8692.</p> |

| | |
|----|---|
| 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 zero at item 17 . |

18 Amount of rebate

Show at item **18** the amount of rebate you are entitled to. If you complete item **18**, you must also complete item **17**, even if the amount is nil.

Use the following formula to calculate the rebate amount:

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

Gross tax is the amount at item **16** – that is, the total amount of tax calculated on the fringe benefits taxable amount.

The aggregate non-rebatable amount is the part of the taxable value of fringe benefits you cannot obtain a rebate for, calculated at item **17**.

Rebatable days in the year means 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 14, the rebatable employer has:

- a fringe benefits taxable amount of \$172,028 (\$59,876 + \$112,152)
- 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:

$$\begin{aligned} & ([\$40,121.00 - \$30,000] + [\$42,185.70 - \$30,000]) \times 46.5\% \\ & = \$10,372.62 \end{aligned}$$

The calculation of the rebate amount is as follows:

$$\begin{aligned} & 0.48 \times (\$79,993.02 - \$10,372.62) \\ & = \$33,417.79 \end{aligned}$$

19 Sub-total

Show at item **19** the amount at item **16** minus the amount (if any) at item **18**.

You would show the figures on the return at items **15** to **19** as:

39720_04

20 to 25

Complete these items in the same way as a taxable employer would – see [Taxable employers](#).

Example: A completed return for a rebatable employer

This is an example of the return calculation details of a completed 2014 FBT return. The figures used are from previous examples. 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.

 39720_05

QC 39720

Public benevolent institutions and health promotion charities

Last updated 16 May 2014

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

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[16 Amount of tax payable](#)

[17 Aggregate non-rebatable amount](#)

[18 Amount of rebate](#)

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A public benevolent institution 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
- provides direct relief for the benefit of a disadvantaged section of the public – for example, provides shelter for homeless people.

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

If your organisation is a public benevolent institution or health promotion charity, the organisation must be endorsed by us to access the FBT exemption. From 3 December 2012, your organisation must also be registered with the ACNC as a charity.

Organisations that were endorsed by us to access the FBT exemption for public benevolent institutions or health promotion charities immediately before 3 December 2012 are automatically registered with the ACNC – they don't need to re-register.

 **Attention more about eligibility for this concession, including endorsement, phone us on 1300 130 248.**

1 to 13

Complete these items the same way as a taxable employer would – see [Taxable employers](#).

14 Calculated fringe benefits taxable amounts

You must complete only item **14C** and not items **14A** and **14B** if you are an eligible:

- public benevolent institution

- health promotion charity.

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

Eligible public benevolent institutions and health promotion charities have a capping threshold placed on the amount of FBT exempt 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 nine 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 | <p>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. For an outline of those excluded fringe benefits, refer to Reportable fringe benefits.</p> <p>The following excluded fringe benefits are not included in the notional taxable value of benefits you provided to the employee:</p> <ul style="list-style-type: none"> • those benefits considered the provision of meal entertainment • car parking fringe benefits • entertainment facility leasing expenses. |

| | |
|---|---|
| 3 | <p>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.</p> <p>This is the type 1 individual base non-exempt amount.</p> |
| 4 | <p>Gross up the type 1 individual base non-exempt amount by multiplying it by 2.0647.</p> |
| 5 | <p>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.</p> <p>This is the type 2 individual base non-exempt amount.</p> |
| 6 | <p>Gross up the type 2 individual base non-exempt amount by multiplying it by 1.8692.</p> |
| 7 | <p>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.</p> |
| 8 | <p>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.</p> |
| 9 | <p>Add together all the amounts calculated in the previous steps for each employee. The result is your aggregate non-exempt amount for the FBT year.</p> |

Example: Calculate the aggregate non-exempt amount for an eligible public benevolent institution or health promotion charity

A public benevolent institution 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 figures from this example at item **14** as:

 39720_06

15 Fringe benefits taxable amount

Place the amount at item **14C** at item **15**.

You must complete this item because it (and item **16**) forms the basis of self assessing any FBT liability.

16 Amount of tax payable

This is 46.5% of the amount you wrote at item **15** (the FBT rate multiplied by the fringe benefits taxable amount).

You must complete this item because it (and item **15**) forms the basis of self assessing any FBT liability.

17 Aggregate non-rebatable amount

Leave this item blank and go to item **19**. Eligible public benevolent institutions and health promotion charities already have access to other concessions and are not rebatable employers.

18 Amount of rebate

Leave this item blank. Eligible public benevolent institutions and health promotion charities already have access to other concessions and are not rebatable employers.

19 Sub-total

For public benevolent institutions and health promotion charities, this amount is the same as item **16**.

39720_07

20 to 25

Complete these items in the same way as a taxable employer would – see [Taxable employers](#).

However, at item **23**, you must include the taxable value of benefits provided (not the aggregate non-exempt amount) if you are any of the following:

- public benevolent institution
- health promotion charity
- public hospital
- non-profit hospital
- 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 **14C** in the table above.

The figures you place in the 'Taxable value of benefits' column must be the amounts before they are grossed-up and before the \$30,000 capping amounts are deducted.

Example: A completed return for an eligible public benevolent institution or health promotion charity

This is an example of the return calculation of a completed 2014 FBT return.

The figures used are from previous examples. The value of the car fringe benefits at item **23** is the taxable value of benefits provided $(45,000 + 43,000)/2.0647$, and not the aggregate non-exempt amount.

39720_08

Public hospitals, non-profit hospitals and public ambulance services

Last updated 16 May 2014

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[14 Calculated fringe benefits taxable amounts](#)

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

[15 to 25](#)

The capping threshold for public hospitals, non-profit hospitals and public ambulance services is different to that for eligible public benevolent institutions or health promotion charities.

1 to 13

Complete these items in the same way as a taxable employer would – see [Taxable employers](#).

14 Calculated fringe benefits taxable amounts

You must complete only item **14C** and not items **14A** and **14B** if you are a:

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

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

Public and non-profit hospitals have a capping threshold placed on the amount of FBT exempt 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 FBT on its aggregate non-exempt amount. This amount is calculated using the same steps as a public benevolent institution or a health promotion charity (see [Public benevolent institutions and health promotion charities](#)) 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 figures from this example at item **14** as:

 39720_09

15 to 25

Complete these items in the same way as an eligible public benevolent institution and health promotion charity would – see [Public benevolent institutions and health promotion charities](#).

QC 39720

Non-profit organisations operating an eligible public benevolent institution employer

Last updated 16 May 2014

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[19 Sub-total](#)

[20 to 25](#)

Where your organisation is endorsed by us for the operation of a part of it that is an eligible public benevolent institution 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 public benevolent institution 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 public benevolent institution employer exceed the \$30,000 capping threshold, you must pay tax on the aggregate non-exempt amount of the public benevolent institution employer.

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

Changes affecting organisations endorsed for the operation of a public benevolent institution apply from 3 December 2012.

Find out more

Entities endorsed for the operation of PBIs and HPCs

Eligibility for this concession, including endorsement – phone us on **1300 130 248**

1 to 13

Complete these items in the same way as a taxable employer would – see [Taxable employers](#).

14 Calculated fringe benefits taxable amounts

For the amounts that you will be treated as a:

- **rebatable employer:** complete items **14A** and **14B** – as explained in the 'Rebatable employers' instructions in [Non-profit organisations](#)
- **public benevolent institution employer:** complete item **14C** as explained in the instructions in [Public benevolent institutions and health promotion charities](#).

15 Fringe benefits taxable amount

Show at item **15** the sum of the amounts at items **14A**, **14B** and **14C**.

16 Amount of tax payable

This is 46.5% of the amount you wrote at item **15** (the FBT rate multiplied by the fringe benefits taxable amount).

17 Aggregate non-rebatable amount

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 – see [Rebatable employers](#). Add to this amount the tax payable on the aggregate non-exempt amount (item **14C** x 46.5%).

Show the total at item **17**.

18 Amount of rebate

Calculate your rebate as shown in the rebatable employer instructions for this item – see [Rebatable employers](#).

Example: Calculate the amount of rebate

A non-profit organisation, part of which is endorsed for the operation of a public benevolent institution employer, has a fringe benefits taxable amount of \$150,000 and gross tax of \$69,750.00 ($\$150,000 \times 46.5\%$). The taxable amount is made up of:

- \$105,000 type 1 benefits (type 1 aggregate amount of $\$50,855 \times 2.0647$)
- \$33,000 type 2 benefits (type 2 aggregate amount of $\$17,655 \times 1.8692$)
- 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 individual grossed-up non-rebatable amounts

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 ($\$12,000 \times 46.5\%$)
= \$5,580.00

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

The calculation of the amount of rebate is as follows:

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

 **Attention** The following information only applies to non-profit organisations operating a public benevolent institution employer.

19 Sub-total

Show at item **19** the amount at item **16** less the amount (if any) at item **18**.

You would show the figures from this example at items **14** to **19** as:

 39720_10

20 to 25

Complete these items in the same way as a taxable employer would – see [Taxable employers](#).

If the fringe benefits you provide to the employees of the public benevolent institution employer exceed the \$30,000 capping

threshold, at item **23**, the 'Taxable value of benefits' must be the amounts before they are grossed-up and before the \$30,000 capping amounts are deducted (not the aggregate non-exempt amount).

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 you calculated at steps 3 and 5 of item **14C**.

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

QC 39720

Fringe benefit categories

Last updated 16 May 2014

In past FBT returns, some benefits provided to employees of airlines and travel agents were classified as airline transport fringe benefits. For the FBT year ended 31 March 2014 and later years, these fringe benefits will be included under the Expense payments, Property or Residual categories.

This section provides an overview of each type of fringe benefit and will help you to complete item **23**:

- [A – Cars using the statutory formula](#)
- [B – Cars using the operating cost method](#)
- [C – Loans granted](#)
- [D – Debt waiver](#)
- [E – Expense payments](#)
- [F – Housing – units of accommodation provided](#)
- [G – Employees receiving living-away-from-home allowance](#)
- [J – Board](#)
- [K – Property](#)
- [L – Income tax exempt body – entertainment](#)

- [M – Other benefits \(residual\)](#)
- [N – Car parking](#)
- [P – Meal entertainment.](#)

 **Make sure that you do not include the gross-up calculation in the amounts you show at this item.**

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 'Taxable value of benefits' column, you must identify the category of the benefit you provided and do the appropriate calculations for that category.

Find out more

[Fringe benefits tax – a guide for employers](#)

Non-profit organisations

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

- an eligible public benevolent institution
- an eligible health promotion charity
- a public hospital
- a non-profit hospital
- a 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 you calculated at steps 3 and 5 of item **14C**.

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



B – Cars using the operating cost method



C – Loans granted



D – Debt waiver



E – Expense payments



F – Housing – units of accommodation provided



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



J – Board



K – Property



L – Income tax exempt body – entertainment



M – Other benefits (residual)



N – Car parking



P – Meal entertainment



QC 39720

A – Cars using the statutory formula

Last updated 16 May 2014

On this page

[Determining the statutory percentage](#)

[Transitional arrangements and rates](#)

When you complete the information at item **A**, do not show the actual value of the cars in the 'Gross taxable value (a)' column.

Employee contributions include:

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

Use GST-inclusive amounts where appropriate.

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. The reduction applies only once for a particular car – you then use the reduced base value for subsequent years.

Determining the statutory percentage

A flat statutory rate of 20% applies (subject to transitional rules), regardless of the distance travelled, to all car fringe benefits you provide after 7.30pm AEST on 10 May 2011 (except where there is a pre-existing commitment in place to provide a car).

The statutory percentages for car fringe benefits provided before 7.30pm AEST on 10 May 2011, or where you have a pre-existing commitment in place to provide the car after this time, are as follows:

| Total kilometres travelled during the FBT year | Statutory percentage |
|---|-----------------------------|
| Less than 15,000 | 26 |
| 15,000 to 24,999 | 20 |
| 25,000 to 40,000 | 11 |
| Over 40,000 | 7 |

You can continue to use these statutory rates for all pre-existing commitments unless there is a change to that commitment.

If a car was not held for the whole FBT year, you need to work out how many kilometres it would have travelled if you had held it for the whole year, to establish the appropriate statutory fraction – for example, if you acquire a car halfway through the FBT year and it travels 12,000 kilometres in six months, the distance it travels in a year is 24,000 kilometres.

Example: Non-transitional arrangement – 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 have made contributions of \$1,000 each for fuel during the year.

The calculation for each car is as follows:

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

The employer shows this at item **23** as follows:



Transitional arrangements and rates

The move to one statutory rate of 20% will be phased in over four years. There will be transitional arrangements that apply to any new commitments entered into from 10 May 2011 to 31 March 2014. Where there is a change to a pre-existing commitment, these transitional arrangements will also apply. The following statutory rates should be used:

| Total kms travelled during FBT year | Statutory percentage | | |
|-------------------------------------|----------------------|-----------------|-----------------|
| | From 10 May 2011 | From 1 Apr 2012 | From 1 Apr 2013 |
| Less than 15,000 | 20 | 20 | 20 |
| 15,000 to 24,999 | 20 | 20 | 20 |
| 25,000 to 40,000 | 14 | 17 | 20 |
| Over 40,000 | 10 | 13 | 17 |

Example: Transitional arrangement – calculate car fringe benefits using the statutory formula

Under an arrangement that did not involve a pre-existing commitment, on 12 June 2013 an employer agreed to provide an employee with a car fringe benefit. The car was delivered on 1 July 2013 and was available to the employee for private use from that date.

From 1 July 2013 to 31 March 2014, the car travelled 31,000 kilometres.

The annualised kilometres are $31,000 \times 365/274 = 41,296$.

The base value of the car is \$32,000.

The employee did not make any contributions.

The calculation for the car is
 $(\$32,000 \times 17\%) \times 274/365 = \$4,083$.

The employer shows this at item **23** as follows:

 39720_12

QC 39720

B – Cars using the operating cost method

Last updated 16 May 2014

Use GST-inclusive amounts where appropriate – do not show the actual value of the cars in the 'Gross taxable value (a)' column.

Employee contributions include:

- amounts the employee pays directly to you for using a car
- 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. Based on the logbook and other usage patterns, the employer estimates the percentage of private use to be 30%. The employee has not made any contributions during the year.

The calculation for the car is as follows:

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

 39720_13

QC 39720

C – Loans granted

Last updated 16 May 2014

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 (a)' column.

Example: Calculate loan fringe benefits granted

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

Using the benchmark interest rate, the calculation is as follows:

$$\$20,000 \times 6.45\% = \$1,290$$

The employer shows this at item **23** as follows:

 39720_14

QC 39720

D – Debt waiver

Last updated 16 May 2014

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

A debt owed by an employee that you write off as a genuine bad debt is not a debt waiver fringe benefit.

Example: Complete debt waiver fringe benefits

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

The employer shows this at item **23** as follows:

 39720_15

QC 39720

E – Expense payments

Last updated 16 May 2014

If you pay for or reimburse an expense an employee incurred, you may be providing an expense payment fringe benefit. Show the amount of any expense payment benefit that you provided during the year at item **E**.

Find out more

Reform of salary sacrificed 'in-house' fringe benefits

Changes have been made to the FBT law to remove the concessional treatment of in-house expense payment fringe benefits provided under a salary packaging arrangement entered into on or after 22 October 2012. Transitional rules apply where an existing salary packaging arrangement was entered into before 22 October 2012.

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, as a result, otherwise deductible. The other 50% of the calls are private calls.

The employer calculates the expense payment as follows:

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

The employer shows this at item **23** as follows:

 39720_16

QC 39720

F – Housing – units of accommodation provided

Last updated 16 May 2014

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
- 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 it at item **M** 'Other benefits (residual)'.

Example: Calculate housing fringe benefits

An employer provides a house for an employee for the FBT year. The market rental value for the year is \$26,000 (52 weeks at \$500). The employee pays a nominal rent of \$2,600 for the year (\$50 per week).

The employer calculates the housing benefit as follows:

$$\$26,000 - \$2,600 = \$23,400$$

The employer shows this at item **23** as:

 39720_17

QC 39720

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

Last updated 16 May 2014

From 1 October 2012, the law relating to living-away-from-home benefits has changed.

Find out more

Living-away-from-home allowance fringe benefits

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 in the 'Gross taxable value (a)' column includes the exempt accommodation and exempt food components, as well as the statutory food amount.

The statutory food amount is the amount the employee would spend on food at their normal residence – it is set at \$42 per week per adult, and \$21 per week per child under 12 years of age.

Show the exempt accommodation and exempt food component amounts as reductions in the 'Value of reductions (c)' column.

You must obtain the necessary documentary evidence or declaration of employee expenses and the declaration about living away from home so you can take advantage of any exempt accommodation and exempt food components.

Find out more

LAFHA declarations

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

An employee, living away from home for the full 2014 FBT year, receives \$583 per week (\$30,316 for the FBT year) as a living-away-from-home allowance.

This is made up of:

- \$350 per week (\$18,200 for the FBT year) for accommodation

- \$233 per week (\$12,116 for the FBT year) for food.

The accommodation component reflects what the employee could reasonably be expected to pay for rent, and the food component relates to the total estimated food expenditure of \$233 per week. The employee provides the employer with the required documentary evidence showing that they spent at least \$350 per week on accommodation. Substantiation of the food component is not required because the amount is not more than the Commissioner of Taxation's reasonable amount.

The employee started living away from home at this location in January 2013. Due to the 12 month rule, the employer is only entitled to reduce the taxable value of the allowance for the first 40 weeks of the 2014 FBT year.

The calculation for living-away-from-home allowance fringe benefits is as follows:

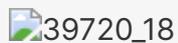
Exempt accommodation component = \$14,000 (40 weeks at \$350 per week)

Exempt food component = \$7,640 (\$9,320 – \$1,680 (40 weeks at \$191 [\$233 paid less \$42 per week statutory food amount])

Taxable value = \$30,316 – \$14,000 (exempt accommodation) – \$7,640 (exempt food) = \$8,676

Value of reduction is the total of the exempt accommodation and the exempt food components = \$21,640 (\$14,000 + \$7,640).

The employer shows this at item **23** as:

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J – Board

Last updated 16 May 2014

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

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

Example: Calculate board fringe benefits

An employer provides board fringe benefits valued at \$21,900 to employees during the FBT year.

The employer shows this at item **23** as:

39720_19

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K – Property

Last updated 16 May 2014

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

Changes have been made to the FBT law to remove the concessional treatment of in-house property fringe benefits provided under a salary packaging arrangement entered into on or after 22 October 2012.

Transitional rules apply where an existing salary packaging arrangement was entered into before 22 October 2012.

Find out more

Reform of salary sacrificed 'in-house' fringe benefits

Example: Calculate property fringe benefits

An electrical retailer provides a television that normally sells for \$2,000, and an air conditioner that normally sells for \$1,600, to an employee during the FBT year. The employee paid a total of \$300 for these items.

The value of the benefit is reduced to 75% of the selling price. Because these items are in-house property fringe benefits, the taxable value is 75% of the normal selling price and the employer qualifies for the in-house concession of up to \$1,000 per employee per year.

The retailer calculates the property fringe benefit as follows:

Gross taxable value is \$2,700 $((\$2,000 + \$1,600) \times 75\%)$

Value of reduction is \$1,000.

The electrical retailer would show this at item **23** as follows:

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L – Income tax exempt body – entertainment

Last updated 16 May 2014

This category of fringe benefit relates to non-deductible entertainment expenses.

You provide this type of fringe benefit if **either** of the following applies:

- you are wholly or partially exempt from income tax
- you 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** 'Meal entertainment'.

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: Calculate income tax exempt body – entertainment fringe benefits

A local council provides a Christmas function for its employees during the FBT year. The value of the tax-exempt body entertainment fringe benefits is \$5,000.

The council shows this at item **23** as follows:

39720_21

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M – Other benefits (residual)

Last updated 16 May 2014

Show at item **M** the value of any residual fringe benefits you provide. You may provide a residual fringe benefit when you provide an employee with **either** of the following:

- any right, privilege, service or facility
- any other benefit that is not one of the specific categories of fringe benefits included at other categories in item **23**.

Changes have been made to remove the concessional treatment of in-house residual fringe benefits provided under a salary packaging arrangement entered into on or after 22 October 2012. Transitional

rules apply where an existing salary packaging arrangement was entered into before 22 October 2012.

Find out more

Reform of salary sacrificed 'in-house' fringe benefits

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:

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

Value of reduction is $\$8,000 \times 75\% = \$6,000$ (business usage).

The employer shows this at item **23** as follows:

 39720_22

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N – Car parking

Last updated 16 May 2014

A car parking fringe benefit may arise for each day on which an employer provides a car parking space for use by an employee.

Find out more

Car parking fringe benefits

Example: Calculate 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. The employees have not made any contributions during the year.

The employer shows this at item **23** as follows:

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P – Meal entertainment

Last updated 16 May 2014

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** of the following:

- half the meal entertainment expenditure you incurred for the FBT year
- 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 either an expense payment, a property, residual or a 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** 'Other benefits (residual) as a residual fringe benefit'.

Example: Calculate meal entertainment fringe benefits

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

The calculation for the meal entertainment fringe benefits would be:

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

The employer would show this at item **23** as:

 39720_24

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Record keeping

Last updated 16 May 2014

For your tax records, you must keep your:

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

You do not need to submit these with your return.

You must make elections and declarations and obtain all employee declarations no later than the day on which your FBT return is due to be lodged with us, or by 21 May (if you do not have to lodge a return). There is no need to notify us of the election or declaration because your business records are sufficient evidence of this.

Find out more

Fringe benefits tax record keeping

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 elect to use the record-keeping exemption arrangements if **all** of the following apply for **all** years between the base and current year:

- You are not a government body or income tax exempt at any time during the current year.
- We have not issued you a notice requiring you to resume record keeping.
- You were in business for the whole of the base year.
- You kept FBT records in the base year.
- You lodged the FBT return for the base year by the due date.
- The aggregate fringe benefits amount (total of taxable values of all fringe benefits) in the base year did not exceed the exemption threshold (listed below).
- You have elected that the record-keeping exemption arrangements apply in all years from the most recent base year to the current year.
- The aggregate fringe benefits amount for the benefits provided in the current year does not exceed the amount in the most recent base year by more than 20%, unless the difference is \$100 or less.

Find out more

General requirements and record-keeping exemption arrangements – Fringe benefits tax record keeping

Exemption thresholds

| Year | Amount |
|------|---------|
| 2010 | \$7,063 |
| 2011 | \$7,190 |
| 2012 | \$7,391 |
| 2013 | \$7,642 |
| 2014 | \$7,779 |

If you use the record-keeping exemption arrangements, you must include **both** of the following:

- taxable value of each category of fringe benefit you provided during the base year, at item **23**
- fringe benefits taxable amount you provided in the base year, at item **15**.

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Calculation rates

Last updated 16 May 2014

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[Benchmark interest rate](#)

[Housing indexation figures \(non-remote\)](#)

[Private use of motor vehicle other than a car](#)

[Car parking threshold](#)

The following are the calculation rates for the FBT year 1 April 2013 to 31 March 2014.

Tax rate

46.5%

Benchmark interest rate

6.45%

The benchmark interest rate is also known as the statutory interest rate. You use it when calculating loan fringe benefits and the interest component for the car operating cost method.

Housing indexation figures (non-remote)

ACT 1.045

NSW 1.051

NT 1.030

QLD 1.028

SA 1.031

TAS 1.020

VIC 1.030

WA 1.057

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 from the

private use of a motor vehicle other than a car. Calculate the fringe benefit's taxable value on a cents-per-kilometre basis.

Engine capacity – rates per kilometre

| Engine capacity | Rates per kilometre |
|------------------------|----------------------------|
| 0 to 2,500cc | 49 cents |
| Over 2,500cc | 59 cents |
| Motorcycles | 15 cents |

Car parking threshold

\$8.03

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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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