

# Completing your 2010 fringe benefits tax return



You must lodge fringe benefits tax (FBT) returns with us by **21 May 2010**. Full details including how to lodge your return and pay FBT are included in these instructions.



For more information on FBT visit our website at [www.ato.gov.au](http://www.ato.gov.au)

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## OUR COMMITMENT TO YOU

We are committed to providing you with advice and guidance you can rely on, so we make every effort to ensure that our publications are correct.

If you follow our guidance 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 but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our advice and guidance in this publication 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 rely on any GST advice in this publication. If you rely on this advice and it later changes, you will not have to pay any extra GST for the period up to the date of the change.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

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](http://www.ato.gov.au) or contact us.

This publication was current at **March 2010**

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### PUBLISHED BY

Australian Taxation Office  
Canberra  
March 2010  
JS 15219

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## ABOUT THESE INSTRUCTIONS

These instructions provide information to help you complete the 2010 fringe benefits tax (FBT) return for your business, including:

- step-by-step instructions
- examples from completed returns.

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

## LODGMET

### Who must lodge an FBT return

You must lodge a 2010 FBT return if you have an FBT liability for the year ending 31 March 2010.

You do not need to lodge an FBT return if your fringe benefits taxable amount for the year ending 31 March 2010 is nil.

➤ If you are registered for FBT but do not need to lodge an FBT return for the year, complete a *Fringe benefits tax – notice of non-lodgment* (NAT 3094).

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 your credits available to you.

### When your return is due

You must lodge your return with us by 21 May 2010 unless you lodge via a tax agent who has been given another lodgment date.

➤ If you prepare and lodge your own return and need extra 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 have to pay a penalty if you lodge your return after the due date without making an arrangement with us.

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

A **large entity** is either of the following:

- a large withholder for pay as you go (PAYG) withholding purposes
- an entity with an assessable income or current goods and services tax (GST) turnover of \$20 million or more.

A **medium entity** is either of the following:

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

A **small entity** is an entity that is not a medium or a 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

If you do not pay any tax you owe by the due date, you must pay this penalty as well as any general interest charge that may apply.

### How to lodge your return

Before you lodge your return, check 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
- lodged all your activity statements for the FBT year.

⚠ If you pay your FBT by instalments, you must lodge all your activity statements for the FBT year ending 31 March 2010, including the March 2010 quarter, before lodging your FBT return. If all activity statements are not lodged prior to lodging your FBT return, your return will remain unactioned until all instalments are paid.

Your tax agent can lodge your FBT return via the electronic lodgment service (ELS) or you can lodge a paper return.

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

**Australian Taxation Office**  
**GPO Box 9845**  
**IN YOUR CAPITAL CITY**

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

**If your return contains a mistake**

If you realise you have made a mistake after lodging your return, you must request an amended assessment as soon as possible. Send written requests to us at:

**Australian Taxation Office**  
**PO Box 3004**  
**PENRITH NSW 2740**

Your request must also provide the following information:

- name of employer
- FBT year the mistake relates to
- 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
- total amendable taxable value.

The request must be signed as listed below:

- for an individual the individual must sign
- for a partnership a partner must sign
- for a trust or fund the trustee must sign
- for a company, including an incorporated club, society, association or body of persons, the public officer must sign (not just a director who is not the public officer)
- for an unincorporated association or body of persons an office holder must sign.

 We are authorised by the *Taxation Administration Act 1953* to collect your TFN. You are not required by law to provide your TFN. However, quoting your TFN reduces the risk of administration errors that could delay the processing of your return.

 It is important to tell us about any mistakes as soon as possible because you may have to pay a penalty for an incorrect return.

**PAYING YOUR FBT**

You must pay the total FBT amount you owe for the year ending 31 March 2010 by **21 May 2010** unless you have made other arrangements with us. You can round your FBT payments down to the nearest multiple of five cents.

We will credit any FBT instalment amounts you reported on your four activity statements for the 2010 FBT year against your total 2010 FBT liability.

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

**PAYMENT DIFFICULTIES**

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

**Payment options**

We offer the following payment methods:

- BPAY®
- Direct Credit
- Direct Debit
- Mail
- In person at an Australia post outlet.

**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)
- your payment reference number (PRN) as shown on the front of the payment slip.

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

**Direct credit**

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

- a computer banking software package
- 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:

- Bank – Reserve Bank of Australia
- BSB – 093 003
- Account – 316 385
- Account name – ATO direct credit account
- Reference – Your payment reference number

 You must enter your PRN (as shown on the front of the payment slip) in the lodgment reference field.

### Direct debit

Have your payment automatically deducted from a cheque or savings account. Please allow at least seven (7) days for your direct debit to be activated to ensure your payment reaches us on or before its due date.

### Details you need

For a verbal direct debit payment arrangement after the due date phone us on **13 11 42**.

For all other direct debit requests:

- Complete the *Direct debit request* (NAT 2284) form and return it to us.

To access the form:

- visit [ato.gov.au/howtopay](http://ato.gov.au/howtopay) or
- phone **1800 802 308**, 8.00am–6.00pm, Monday – Friday.
- email [eft-information@ato.gov.au](mailto:eft-information@ato.gov.au)

### Mail

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
- type of payment.

You must:

- make them payable to the ‘Deputy Commissioner of Taxation’
- cross them ‘Not negotiable’
- tender them in Australian dollars
- not postdate cheques and money orders.

Send your payment to us at:

NT, SA, TAS, VIC and WA  
**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 enough time for your payment to reach us on or before the due date. If your payment is late, you may have to pay the general interest charge.

### Post office payments

If you have a pre-printed payment slip with a barcode, you can pay in person at any Australia Post outlet. Post offices cannot accept photocopies of payment slips. The post office will give you a receipt for any payment you make in person. You can make payments with:

- cash (a \$3,000 limit applies)
- money orders
- cheques
- 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.

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

### MORE INFORMATION

BPAY, direct credit, mail and Australia Post payments:

- phone **1800 815 886**
- email [payment@ato.gov.au](mailto:payment@ato.gov.au)

Direct debit:

- phone **1800 802 308**
- email [eft-information@ato.gov.au](mailto:eft-information@ato.gov.au)

### Paying next year's FBT in instalments

You must lodge and pay activity statements for quarterly FBT instalments for the 2011 FBT year if:

- this is not your final FBT return
- your tax liability for this year is \$3,000 or more.

The quarters end:

- 30 June
- 30 September
- 31 December
- 31 March.

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

- due dates for lodging and paying
- 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 need to make a balancing payment, do this when you lodge your annual return.

**COMPLETING YOUR 2010 FBT RETURN**

This information will help you complete each item in the *Fringe benefits tax (FBT) return 2010* (NAT 1067).

See page 32 for information on general record keeping.

**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.

**IF YOU DO NOT HAVE A TFN**

If you do not have a TFN, complete a *Tax file number application for companies, partnerships, trusts and other organisations* (NAT 3799). You can complete the application online and lodge it electronically through the:

- government's business site at [www.business.gov.au](http://www.business.gov.au)
- Australian Business Register site at [www.abr.gov.au](http://www.abr.gov.au).

You can also obtain a paper copy by phoning us on **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.

You are not required by law to provide your TFN. However, quoting your TFN reduces the risk of administration errors that could delay the processing of your return.

**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.

**!** 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 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 with your return.

**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 2009 to 31 March 2010. 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/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 2010–11 or future years?**

Tell us if you plan to continue lodging FBT returns. If you have provided taxable fringe benefits after 31 March 2010, they fall into the 2011 FBT year and you may need to lodge a 2011 FBT return.

Not completing this item may result in processing problems.

 We will cancel your FBT registration and any future instalments 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. We describe each category in *Fringe benefits tax – a guide for employers* (NAT 1054).

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 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 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 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 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
- health promotion charity
- public hospital
- non-profit hospital
- public ambulance service.

 Other employers, including rebatable employers, must 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
- add any excluded fringe benefits that are GST-creditable to the total amount.

The formula you use 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%.

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**

**13B Calculate the 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**

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 \$    ,  11 ,  000 ~~·~~ × 2.0647 = \$    ,  22 ,  711 ~~·~~ **A**

B Type 2 aggregate amount \$    ,  9 ,  000 ~~·~~ × 1.8692 = \$    ,  16 ,  822 ~~·~~ **B**

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

**13C Aggregate non-exempt amount**

This applies to you only if you are a:

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

See 'How to complete your 2010 FBT return as a non-profit organisation' on page 13.

! Other employers, including rebatable employers, must leave item 13C blank.

**14****Fringe benefits taxable amount**

Add the amounts at items 13A and 13B and place the total at item 14, even if the amount is nil.

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

**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).

Show the amount of tax payable at item 15, even if the amount is nil.

You must complete this item as it (and item 14) forms the basis of self assessing any FBT liability.

**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 organisation 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.

The amount you write at this item is 48% of the difference between items 15 and 16.

**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 the amount you wrote at item 15.

! Make sure you provide the sub-total at item 18 and not at items 16 or 17.

**19****Less instalment amounts reported on activity statements**

Add together the FBT instalment amounts you reported on your four activity statements for the 2010 FBT year and show the total amount at item 19. We will credit this amount against your 2010 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 2010, including the March 2010 quarter, before lodging your FBT return. We can then update your FBT account. If all activity statements are not lodged prior to lodging your FBT return, your return will remain unacted 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 2010 FBT year:

Quarter ending 30 June 2009	\$4,000
Quarter ending 30 September 2009	\$4,000
Quarter ending 31 December 2009	\$4,000
Quarter ending 31 March 2010	\$4,000
<b>Total instalments for the 2010 FBT year</b>	<b>\$16,000</b>

The employer would show '\$16,000' at item 19.

**20****Payment due**

If the amount at item 19 is:

- more than the amount at item 18, go to item 21
- 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 following:

- the amount you have paid throughout 2010
- the amount you must pay by 21 May 2010 (unless you have made other arrangements with us).

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

For payment methods, see 'Payment options' 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**

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 column headed 'Taxable value of benefits'.

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

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

**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, 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 (refer to Miscellaneous Tax 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.

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 'Details of fringe benefits provided' on page 24 for more information on how to complete this item for each category of fringe benefit.

**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
- 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
- are satisfied the information is correct.

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

We are authorised by the *Fringe Benefits Tax Assessment Act 1986* and the *Taxation Administration Act 1953* to collect the information requested on this return. We need this information to help us administer those laws. Some of the information we collect will appear on the Australian Business Register. We may make selected information publicly available and may pass some on to other government agencies, including Commonwealth, state, territory and local government agencies authorised by law to receive it.

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



# HOW TO COMPLETE YOUR 2010 FBT RETURN AS A NON-PROFIT ORGANISATION

# 03

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

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

Refer to the specific instructions in this section 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
- non-profit organisations established to promote the development of Australia's agricultural, pastoral, horticultural, viticultural, aquacultural, fishing, manufacturing or industrial resources.

➤ We must endorse your charity if you want to access this concession. For more information about eligibility including endorsement, phone us on **1300 130 248**.

## 1 to 12

Complete these items in the same way as a taxable employer would (see page 6–7).

## 13

### Calculated fringe benefits taxable amounts

Complete these items in the same way as a taxable employer would (see page 7–8). Item 13C applies to you only if you are a:

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

! Other employers, including rebatable employers, must 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. 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 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
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Car fringe benefit calculated using the statutory formula method (GST taxable supply with an entitlement to a GST credit)	\$15,000
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<b>Type 1 aggregate amount</b>	<b>\$29,000</b>
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= \$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
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<b>Type 2 aggregate amount</b>	<b>\$60,000</b>
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= \$60,000 × 1.8692  
= **\$112,152.00**

 This information only applies to rebatable employers.

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 \$    ,  29 ,  000 ~~·X~~ x 2.0647 = \$    ,  59 ,  876 ~~·X~~ A

B Type 2 aggregate amount \$    ,  60 ,  000 ~~·X~~ x 1.8692 = \$    ,  772 ,  752 ~~·X~~ B

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

**14 to 15**

Complete these items in the same way as a taxable employer would (see page 9).

**16**

**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 16. Calculate this amount using the following steps.

Step	Action
1	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.
2	Work out the employee's share of the taxable value of excluded fringe benefits. We outline those excluded fringe benefits 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 you provided to the employee: <ul style="list-style-type: none"> <li>■ those benefits considered to be providing meal entertainment</li> <li>■ car parking fringe benefits</li> <li>■ entertainment facility leasing expenses.</li> </ul>

- 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 you or a member of your GST group was not entitled to a GST credit on your 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 zero at item 16.

**!** This information only applies to rebatable employers.

**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 part of the taxable value of fringe benefits you cannot obtain a rebate for, calculated at item 16.

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 13, 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:**

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

**The calculation of the rebate amount is as follows:**

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

**18 Sub-total**

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

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

<b>14 Fringe benefits taxable amount</b>	(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"/>
<b>15 Amount of tax payable</b> (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"/>
<b>16 Aggregate non-rebatable amount</b>		\$ <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"/>
<b>17 Amount of rebate: 48% of</b> (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"/>
<b>18 Sub-total</b> (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"/>

**19 to 24**

Complete these items in the same way as a taxable employer would (see page 9–11).

**EXAMPLE: A completed return for a rebatable employer**

This is an example of the return calculation details of a completed 2010 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.

**Return calculation details**

Refer to *Completing your 2010 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 *Completing your 2010 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 *Completing your 2010 fringe benefits tax return* (NAT 2376) for more information.

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

**21 Credit due to you** \$  ,  ,  .

**22 Details of fringe benefits provided**

Type of benefits provided (1 April 2009 to 31 March 2010)	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	<b>A</b> 2	29,000	0		29,000
Cars using the operating cost method	<b>B</b>				
Loans granted	<b>C</b>				
Debt waiver	<b>D</b>				
Expense payments	<b>E</b>	60,000	0	0	60,000
Housing – units of accommodation provided	<b>F</b>				
Employees receiving living-away-from-home allowance (show total paid including exempt components)	<b>G</b>				
Airline transport (airlines and travel agents only)	<b>H</b>				
Board	<b>J</b>				
Property	<b>K</b>				
Income tax exempt body – entertainment	<b>L</b>				
Other benefits (residual)	<b>M</b>				
Car parking	<b>N</b>				
Meal entertainment	<b>P</b>				

## PUBLIC BENEVOLENT INSTITUTIONS AND HEALTH PROMOTION CHARITIES

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.

➤ We must endorse your public benevolent institution or health promotion charity if you want to access the concession that applies to public benevolent institutions and health promotion charities. For more information about eligibility for this concession, including endorsement, phone us on **1300 130 248**.

### 1 to 12

Complete these items the same way as a taxable employer would (see page 6–7).

### 13 Calculated fringe benefits taxable amounts

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

- public benevolent institution
- 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)

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 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"> <li>■ those benefits considered the provision of meal entertainment</li> <li>■ car parking fringe benefits</li> <li>■ entertainment facility leasing expenses.</li> </ul>
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.

**!** This information only applies to public benevolent institutions and health promotion charities.

**EXAMPLE: Calculate the aggregate non-exempt amount for a 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 amounts with whole dollars and no cents at item 13C:

**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 would (see page 9).

**16 Aggregate non-rebatable amount**

This item applies only if you are a rebatable employer. Otherwise, leave this item blank and go to item 18. Public benevolent institutions and health promotion charities already have access to other concessions and are not rebatable employers.

**17 Amount of rebate**

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

**18 Sub-total**

For public benevolent institutions and health promotion charities, this amount is the same as item 15.

**19 to 24**

Complete these items in the same way as a taxable employer would (see pages 9–11).

However, at Item 22, 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 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.





### NON-PROFIT ORGANISATIONS OPERATING A PUBLIC BENEVOLENT INSTITUTION EMPLOYER

Where part of a non-profit organisation is a 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.

 If your organisation operates as a public benevolent institution employer and you want to access this concession, we must endorse your operation as a public benevolent institution employer. For more information about eligibility for this concession, including endorsement, phone **1300 130 248**.

### 1 to 12

Complete these items in the same way as a taxable employer would (see page 6–7).

### 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 employers’ instructions for this item on page 13)
- public benevolent institution 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 would (see page 9).

### 16

#### 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 on page 14. Add to this amount the tax payable on the aggregate non-exempt amount ( $13C \times 46.5\%$ ).

Show the total at item 16.



 This information only applies to non-profit organisations operating a public benevolent institution employer.

### 19 to 24

Complete these items in the same way as a taxable employer would (see pages 9–11).

At Item 22, you must include the taxable value of benefits you 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 you 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.

# 04

## DETAILS OF FRINGE BENEFITS PROVIDED

### FRINGE BENEFIT CATEGORIES

This section provides an overview of each type of fringe benefit and will help you to complete item 22.

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 the benefit you 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).

### Non-profit organisations

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

- 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 you 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 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 using a car
- 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, work out the kilometres it travelled in a 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. 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 is as follows:

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

The employer shows this at item 22 as follows:

22 Details of fringe benefits provided		WHOLE DOLLARS ONLY			
Type of benefits provided (1 April 2009 to 31 March 2010)	Number	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 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 that shows the percentage of private use as 30%. The employee has not made any contributions during the year.

**The calculation for the car is as follows:**

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

The employer shows this at item 22 as follows:

Type of benefits provided (1 April 2009 to 31 March 2010)		Number	WHOLE DOLLARS ONLY			Taxable value of benefits (a) - (b) - (c)
			Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	
Cars using the operating cost method	<b>B</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. 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:**

$$\$20,000 \times 5.85\% = \$1,170$$

The employer shows this at item 22 as follows:

Type of benefits provided (1 April 2009 to 31 March 2010)		Number	WHOLE DOLLARS ONLY			Taxable value of benefits (a) - (b) - (c)
			Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	
Loans granted	<b>C</b>	1	1,170		0	1,170

**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.

The employer shows this at item 22 as follows:

Type of benefits provided (1 April 2009 to 31 March 2010)		Number	WHOLE DOLLARS ONLY			
			Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Debt waiver	<b>D</b>		500			500

**E**  
**Expense payments**

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.

**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 employer calculates the expense payment as follows:

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

The employer shows this at item 22 as follows:

Type of benefits provided (1 April 2009 to 31 March 2010)		Number	WHOLE DOLLARS ONLY			
			Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Expense payments	<b>E</b>		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
- 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 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 employer calculates the housing benefit as follows:

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

The employer shows this at item 22 as:

<b>22 Details of fringe benefits provided</b>					
Type of benefits provided (1 April 2009 to 31 March 2010)	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	<b>F</b> 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.

The statutory food amount is the amount the employee would spend on food at their usual place of residence, set at \$42 per week per person.

The 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
- \$142 per week (\$7,384 for the FBT year) for food.

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

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

Value of reduction is the total of accommodation and the increased food component = \$13,000 (\$7,800 + \$5,200).

The employer shows this at item 22 as:

22 Details of fringe benefits provided					
Type of benefits provided (1 April 2009 to 31 March 2010)	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)	<b>G</b> 1	15,184		13,000	2,184

This example gives one method of calculating the increased food component of a living-away-from home allowance.

➤ For more 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 you provide to airline and travel agent employees, or those employees’ associates. This type of benefit is where you provide free or discounted travel subject to the stand-by restrictions that customarily apply to employees in the airline industry. If you do not 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: Calculate 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.

The travel agent shows this at item 22 as follows:

22 Details of fringe benefits provided					
Type of benefits provided (1 April 2009 to 31 March 2010)	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)	<b>H</b>	2,500	0	0	2,500

**J****Board**

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, and
- 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 22 as:

**22 Details of fringe benefits provided**

Type of benefits provided (1 April 2009 to 31 March 2010)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Board <b>J</b>		21,900	0	0	21,900

**K Property**

You may provide a property fringe benefit 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 for \$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 retailer calculates the property fringe benefit as follows:**

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

$$\text{Value of reduction is } \$2,000 \times 25\% (100\% - 75\%) = \$500.$$

The electrical retailer would show this at item 22 as follows:

**22 Details of fringe benefits provided**

Type of benefits provided (1 April 2009 to 31 March 2010)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Property <b>K</b>		2,000	300	500	1,200

**L****Income tax exempt body – entertainment**

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: Complete 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 benefit is \$5,000.

The council shows this at item 22 as follows:

22 Details of fringe benefits provided					
Type of benefits provided (1 April 2009 to 31 March 2010)	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. 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 22.

**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 22 as follows:

22 Details of fringe benefits provided					
Type of benefits provided (1 April 2009 to 31 March 2010)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Other benefits (residual)	M	8,000	0	6,000	2,000

**N****Car parking**

You are not providing a car parking fringe benefit when you provide car parking facilities for employees unless both of the following apply:

- there was a commercial car parking station within one kilometre of the employer-provided facility
- that car parking station charged more than \$7.25 for all-day parking at the start of this FBT year.

**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 employee has not made any contributions during the year.

The employer shows this at item 22 as follows:

Type of benefits provided (1 April 2009 to 31 March 2010)		Number	WHOLE DOLLARS ONLY			
			Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Car parking	<b>N</b>		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 (Meal entertainment) 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 of the following:

- an expense payment
- 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 (Other benefits – residual) as a residual fringe benefit.

**EXAMPLE: Complete meal entertainment**

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 22 as:

Type of benefits provided (1 April 2009 to 31 March 2010)		Number	WHOLE DOLLARS ONLY			
			Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) – (b) – (c)
Meal entertainment	<b>P</b>		2,000			2,000

**GENERAL REQUIREMENTS**

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, if you do not have to lodge a return, by 21 May. There is no need to notify us of the election or declaration as your business records are sufficient evidence of this. For more information about FBT record keeping requirements, refer to *Fringe benefits tax – a guide for employers* (NAT 1054).

**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 all of the following apply:

- 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
- the total taxable value of fringe benefits you provided in the base year does not exceed the exemption threshold in a full year.

⚠ For more information on general requirements and record keeping exemption arrangements, refer to *Fringe benefits tax: a guide for employers* (NAT 1054).

**Exemption thresholds**

Year	Amount
2005	\$6,084
2006	\$6,223
2007	\$6,391
2008	\$6,614
2009	\$6,766
2010	\$7,063

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 22
- fringe benefits taxable amount you provided in the base year, at item 14.

**FBT CALCULATION RATES FOR FBT YEAR  
1 APRIL 2009 TO 31 MARCH 2010****Tax rate**

46.5%

**Benchmark interest rate**

5.85%

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)**

<b>ACT</b>	1.078	<b>SA</b>	1.053
<b>NSW</b>	1.072	<b>TAS</b>	1.046
<b>NT</b>	1.100	<b>VIC</b>	1.062
<b>QLD</b>	1.096	<b>WA</b>	1.127

**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
0 to 2,500cc	44 cents
Over 2,500cc	53 cents
Motor cycles	13 cents

**Car parking threshold**

\$7.25

## MORE INFORMATION

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You can access the following information from our website at [www.ato.gov.au/fbt](http://www.ato.gov.au/fbt):

- *Fringe benefits tax: a guide for employers* (NAT 1054)
- *FBT rates and thresholds* (web product only)
- *Notice of non-lodgment* (NAT 3094)
- *Fringe benefits tax – how to complete your activity statement* (NAT 7389).

To order *Fringe benefits tax (FBT) return 2010* (NAT 1067):

- visit our website at [www.ato.gov.au/onlineordering](http://www.ato.gov.au/onlineordering)
- phone our automated publications distribution service on **1300 720 092** at any time.

You can also access other publications, rulings and other general tax information from our website at [www.ato.gov.au](http://www.ato.gov.au)

You can phone us on:

- General business enquiries phone **13 28 66** for most small business tax issues, including more information about FBT
- **1300 130 248** if you are a non-profit organisation.

 Our phone services are available from 8.00am to 6.00pm (EST), Monday to Friday.

### Translating and teletype services

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 use a TTY or modem, phone the National Relay Service on **13 36 77**. For **1800** toll-free numbers, phone **1800 555 677** and quote the number you need.

If you have a speech impairment and do not use a TTY or modem, phone the Speech to Speech Relay Service on **1300 555 727**. For **1800** toll-free numbers, phone **1800 555 677** and quote the number you need.

 Translating and teletype phone services are available at any time.

