Australian Government
Australian Taxation Office

Draft Taxation Determination

TD 2003/D8

Notice of Withdrawal

Draft Taxation Determination

Fringe Benefits Tax: an employee ('A') buys a residence in a remote area and leases it to his employer ('B'). A agrees to sacrifice an amount of salary and directs B to pay it to him as 'rent'. A continues to occupy the premises 'rent' free. Is B entitled to the remote area housing exemption?

Draft Taxation Determination TD 2003/D8 is withdrawn with effect from today.

1. Draft Taxation Determination TD 2003/D8 provides that an employer is not entitled to the remote area housing exemption, irrespective of whether the purported salary sacrifice arrangement is effective or ineffective.

2. Draft Taxation Determination TD 2003/D7, which issued at the same time as TD 2003/D8 on 25 June 2003, deals with the income tax aspects of the arrangement. That draft Determination is finalised today with the issue of Taxation Determination TD 2004/26. A review of the fringe benefits tax issues in light of the resolution of the income tax issue in TD 2004/26 indicates that there is no need for a separate FBT Determination. Draft Taxation Determination TD 2003/D8 is therefore withdrawn.

Commissioner of Taxation
7 July 2004

ATO references
NO: 2003/11684
ISSN: 1038-8982