



## Taxation Determination

Fringe benefits tax: for the purposes of Division 7 of Part III of the *Fringe Benefits Tax Assessment Act 1986*, what amount represents a reasonable food component of a living-away-from-home allowance for expatriate employees for the fringe benefits tax year commencing on 1 April 2012?

**ⓘ This publication provides you with the following level of protection:**

This publication (excluding appendices) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

### Ruling

1. The amounts listed below are acceptable as a food component for the fringe benefits tax (FBT) year commencing 1 April 2012. The amounts have been calculated by reference to the 2009-10 Household expenditure Survey (HES) conducted by the Australian Bureau of Statistics. The HES has been indexed to take into account movements in the food sub-group of the Consumer Price Index since the survey was completed.

	<b>Per week</b>
One adult	\$250
Two adults	\$400
Three adults	\$450
One adult and one child	\$325
Two adults and one or two children	\$450

**TD 2012/5**

	<b>Per week</b>
Two adults and three children	\$524
Three adults and one child	\$524
Three adults and two children	\$599
Four adults	\$599

(‘Adults’ for this purpose are persons who had attained the age of 12 years *before* the beginning of the FBT year.)

2. In relation to larger family groupings, we accept a food component based on the above figures plus \$150 for each additional adult and \$75 for each additional child.

**Example**

3. *Bob and his wife and their five children (all under 12 years of age) are temporarily living in Australia while Bob is working on a project for his employer (an overseas company). Bob is in receipt of a living-away-from-home allowance. The amount that is considered to be a reasonable food component of the allowance for the year commencing 1 April 2012 is \$674 per week. (That is, \$524 plus \$150).*

**Date of effect**

4. The Determination applies to the FBT year commencing 1 April 2012.

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**Commissioner of Taxation**28 March 2012

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## **Appendix 1 – Explanation**

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**ⓘ** *This Appendix is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

### **Explanation**

5. Determination is intended to be read in conjunction with Taxation Ruling MT 2040. MT 2040 sets out the amounts that represent a reasonable food component of living-away-from-home allowances received by expatriate employees during their term of employment in Australia for the FBT years ended 31 March 1987 and 1988. Indexed amounts for subsequent years are provided in MT 2043, MT 2045, MT 2047, MT 2051, TD 93/41, TD 94/23, TD 95/55, TD 96/25, TD 97/9, TD 98/7, TD 1999/3, TD 2000/21, TD 2001/5, TD 2002/9, TD 2003/5, TD 2004/8, TD 2005/12, TD 2006/23, TD 2007/9, TD 2008/3, TD 2009/6, TD 2010/4 and TD 2011/4.

6. While this Determination will apply to the majority of cases, it will be open to any individual expatriate employee to establish a higher level of spending by reference to receipts or detailed records maintained for such period, for example 12 weeks, as would be sufficient to reflect a long-term expenditure pattern.

## References

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*Previous draft:*

Not previously issued as a draft

*Related Rulings/Determinations:*

MT 2040

*Previous Rulings/Determinations:*

MT 2043; MT 2045; MT 2047; MT 2051;  
TD 93/41; TD 94/23; TD 95/55; TD 96/25;  
TD 97/9; TD 98/7; TD 1999/3; TD 2000/21;  
TD 2001/5; TD 2002/9; TD 2003/5; TD  
2004/8; TD 2005/12; TD 2006/23; TD  
2007/9; TD 2008/3; TD 2009/6; TD 2010/4;  
TD 2011/4

*Subject references:*

- fringe benefits tax
- living-away-from-home-allowance

*Legislative references:*

- FBTAA 1986 Pt 111 Div 7
  - TAA 1953
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ATO references

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