TD 2012/3 - Fringe benefits tax: for the purposes of section 135C of the Fringe Benefits Tax Assessment Act 1986, what is the exemption threshold for the fringe benefits tax year commencing on 1 April 2012?

This cover sheet is provided for information only. It does not form part of *TD 2012/3 - Fringe benefits tax: for the purposes of section 135C of the Fringe Benefits Tax Assessment Act 1986, what is the exemption threshold for the fringe benefits tax year commencing on 1 April 2012?*

This document has changed over time. This is a consolidated version of the ruling which was published on *28 March 2012*

Taxation Determination

Fringe benefits tax: for the purposes of section 135C of the *Fringe Benefits Tax Assessment Act 1986*, what is the exemption threshold for the fringe benefits tax year commencing on 1 April 2012?

This publication provides you with the following level of protection:

This publication (excluding appendixes) 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 exemption threshold for the fringe benefits tax (FBT) year commencing 1 April 2012 is $7,642. This replaces the amount of $7,391 that applied in the previous year commencing 1 April 2011.

Date of effect

2. This Determination applies to the FBT year commencing 1 April 2012.

Commissioner of Taxation
28 March 2012

Appendix 1 – Explanation

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

3. Two conditions must be satisfied for the record keeping exemption arrangements to apply to an employer for an FBT year:

(a) a base year needs to be established; and

(b) during the FBT year immediately before the current year the employer has not received a notice from the Commissioner requiring the employer to resume record keeping.

4. Section 135C of the *Fringe Benefits Tax Assessment Act 1986* sets out a number of conditions that must be met before an FBT year is a base year of an employer. One of the conditions is that the employer's aggregate fringe benefits amount in the base year does not exceed the exemption threshold.

5. The exemption threshold set in this Determination has been ascertained by applying an indexation factor of 1.034 (reflecting the movement in the All Groups Consumer Price Index for the eight capital cities for the year ending 31 December 2011) to the previous year's threshold.

References

Previous draft:

Not previously issued as a draft

Previous Rulings/Determinations:

TD 1999/44; TD 2000/22; TD 2001/6; TD 2002/8; TD 2003/7; TD 2004/11; TD 2005/11; TD 2006/15; TD 2007/7; TD 2008/6; TD 2009/9; TD 2010/2; TD 2011/2

Subject references:

- base year
- exemption threshold
- FBT
- fringe benefits tax
- record keeping exemption arrangements
- record keeping requirements
- RKEA

Legislative references:

- FBTAA 1986 135C
- TAA 1953

ATO references

NO:	1-3P4BQPC
ISSN:	1038-8982
ATOlaw topic:	Fringe Benefits Tax ~~ Liability to tax