TD 98/7 - Fringe benefits tax: for the purposes of Division 7 of the Fringe Benefits Tax Assessment Act 1986 (FBTAA), 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 1998?

• This cover sheet is provided for information only. It does not form part of *TD* 98/7 - *Fringe* benefits tax: for the purposes of Division 7 of the Fringe Benefits Tax Assessment Act 1986 (FBTAA), 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 1998?

This document has changed over time. This is a consolidated version of the ruling which was published on 6 May 1998



FOI Status: may be released

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Taxation Determination

Fringe benefits tax: for the purposes of Division 7 of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA), what amount represents a reasonable food component of a living-away-fromhome allowance for expatriate employees for the fringe benefits tax year commencing on 1 April 1998?

Preamble

The number, subject heading, date of effect and paragraphs 1 and 2 of this Taxation Determination are a 'public ruling' for the purposes of Part IVAAA of the *Taxation Administration Act 1953* and are legally binding on the Commissioner. The remainder of the Determination is administratively binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain how a Determination is legally or administratively binding.

Date of effect

This Determination applies for the FBT year commencing on 1 April 1998. However, it does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

1. The reasonable food component for the fringe benefits tax year commencing on 1 April 1998, as shown below, is the result of indexation to reflect movements in the food sub-group of the Consumer Price Index:

| | per week |
|--|----------|
| One adult | \$137 |
| Two adults | \$221 |
| Three adults | \$248 |
| Two adults and one or two children | \$248 |
| Two adults and three children | \$289 |
| Three adults and one child | \$289 |
| Three adults and two children | \$330 |
| Four adults | \$330 |
| ('Adults' for this purpose are persons aged 12 years or more). | |

2. In relation to larger family groupings, we accept a food component based on the above figures plus \$82 for each additional adult and \$41 for each additional child.

3. This 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

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provided in MT 2043, MT 2045, MT 2047, MT 2051, TD 93/41, TD 94/23, TD 95/55, TD 96/25 and TD 97/9.

Example

Bob and his wife and 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 1998 is \$371 per week (i.e., \$289 plus \$82).

Commissioner of Taxation 6 May 1998

FOI INDEX DETAIL:Reference No.I 1015605Not previously issued in draft formRelated Determinations:TD 93/41; TD 93/230; TD 94/23; TD 95/55; TD 96/25; TD 97/9Related Rulings:MT 2030; MT 2040; MT 2043; MT 2045; MT 2047; MT 2051Subject Ref:fringe benefits tax; living-away-from-home allowanceLegislative Ref:FBTAA Pt VIIA Div 7; FBTAA 136Case Ref:ATO Ref:ATO Ref:NAT 95/6880-8; FBT 153

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