

***TD 93/D119 - Fringe benefits tax: if an employer refrains from claiming an income tax deduction for deductible expenditure incurred in providing a fringe benefit to an employee, is the employer relieved from any fringe benefits tax liability which exists in the circumstances?***

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This document has been finalised by [TD 94/42](#).

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

## Draft Taxation Determination

**Fringe benefits tax: if an employer refrains from claiming an income tax deduction for deductible expenditure incurred in providing a fringe benefit to an employee, is the employer relieved from any fringe benefits tax liability which exists in the circumstances ?**

1. No. Fringe benefits tax is imposed on the taxable value of fringe benefits provided to employees of the taxpayer (or their associates). The *Fringe Benefits Tax Assessment Act 1986* defines the classes of fringe benefits which are subject to the tax and describes the calculation of the relevant taxable values.
  
2. Whether the employer obtains a tax deduction for expenditure incurred in providing a fringe benefit is irrelevant in determining the status of the benefit under the Act or in the calculation of its taxable value.

**Commissioner of Taxation**  
20/5/93

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FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: deductible expenditure; fringe benefits tax

Legislative Ref: FBTAA 136(1)

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