TD 95/55 - 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?

This cover sheet is provided for information only. It does not form part of *TD 95/55 - 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?*

This document has changed over time. This is a consolidated version of the ruling which was published on *11 October 1995*

Australian Taxation Office

Taxation Determination **TD 95/55**

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part . Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

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-from-home allowance for expatriate employees?

1. The reasonable food component for the fringe benefits tax year ended 31 March 1996, as shown below, has been indexed to reflect movements in the food sub-group of the Consumer Price Index:

	per week
One adult	$125
Two adults	$199
Three adults	$224
Two adults and one or two children	$224
Two adults and three children	$262
Three adults and one child	$262
Three adults and two children	$299
Four adults	$299

('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 $73 for each additional adult and $36 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 year 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 and TD 94/23.

4. Changes to Division 7 of the FBTAA presently before Parliament in Taxation Laws Amendment (FBT Cost of Compliance) Bill 1995, propose that the Commissioner will be required to determine the amount that is the 'reasonable food component' of a living-away-from-home allowance which will apply to all such allowances. As an assistance to employers in their business planning, the Commissioner has determined that if such changes are enacted the above amounts will apply for the relevant period of the year ending 31 March 1996.

Example:

Bill and his wife and four children are temporarily living in Australia while Bill is working on a project for his employer (an overseas company). Bill 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 ended 31 March 1996 is $298 per week (i.e., $262 plus $36).

Commissioner of Taxation
11/10/95

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